

Sales Management

THE MAGAZINE OF MARKETING

V. 85 #2

Drug Hearings Just a Start for...

The Man Who

Would

Manage

Your Marketing!

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ESTES KEFAUVER:
Public Enemy No. 1 of Brands

Page 33

547 NEW ADVERTISERS GO NATIONAL

Page 43



Husbands wear out!

Dear Editors:

I have been a widow for two years, and I want to shout out, to all wives everywhere: appreciate now, and do all you can to prolong, the privilege of being a wife. Or you'll be sorry.

There is, truly, no relationship like marriage. Someone chose you . . . gave you the gift of status . . . and the only attempt at understanding that will again come your way. Half a man's life on a platter. A built-in best friend. Someone to play with, walk in the first snow, wrap Christmas presents. With. Someone who remembers the same people and places and times . . . and your own young selves.

To each of you who still has her husband, I say violently, take care of him. He can't and won't do it for himself. Keep him as long as you can. You'll never have it so good again. From the exact moment of that knife-sharp cleavage, you are alone as you've never been alone in your life.

Sincerely,

Some of the most significant words in **Ladies' Home Journal** are often found on the "Letters" page. What more ardent relationship can there be between women and the magazine that is part of their lives? No wonder they like **Ladies' Home Journal** best—by far.

A CURTIS PUBLICATION

One phone call...



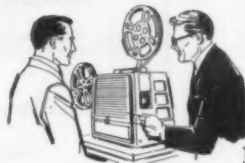
...solved two big retail demonstration problems for *Johnson*



1. Dealer Cooperation.

Johnson asked: How can we get dealers to use motion picture demonstrations of outboards?

Bell & Howell joined with Johnson to create a special promotional package built around the famous Filmo-sound 16mm projectors. Johnson salesmen took it into the field, used it to convince dealers of the ease, speed and economy of showing prospects, demonstrations on film.



2. Keeping the plan in action!

Bell & Howell, with the largest nationwide network of Audio-Visual representatives, provides Johnson dealers with expert service and on-the-spot training. These are just two examples of Bell & Howell A-V service in action. Call or write us for details on how our products, experience and service can work for you.

FINER PRODUCTS THROUGH IMAGINATION



Bell & Howell

7190 McCORMICK ROAD, CHICAGO • AMBASSADOR 2-1600

Sales Management July 15, 1960 1

A man who takes pride in his work, gets a lot of solid satisfaction out of business-paper advertising. It's a medium that's strictly for pros—you and the men you're selling to. You know you get the markets you want, the results you plan for . . . in businesspapers.



Photo on location by Arnold Newman

Advertising in businesspapers means business

as any advertising man
who knows his business
will tell you—*because*

**men who read
businesspapers
mean business**



good business advertising works best in
a good businesspaper—an ABC-audited,
bought-and-paid-for ABP paper

ASSOCIATED BUSINESS PUBLICATIONS • 205 E. 42nd St., N. Y. 17
201 N. Wells St., Chicago 6, Ill. • 333 Wyatt Bldg., Wash. 5

Sales Management

THE MAGAZINE OF MARKETING

July 15, 1960

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HIGHLIGHTS

PUBLIC ENEMY NO. 1 OF BRANDS

Estes Kefauver, head of the Senate Antitrust and Monopoly Subcommittee, seems to aspire to be Grand Vizier of marketing, with a loud voice in just about every facet of its operation. Case in point, the drug industry hearings have far-reaching ramifications on the basic issue of free enterprise.

Page 33

THE RUSH TO ADVERTISE —

It's going on in TV, newspapers, and magazines, as an ever-broadening roster of products pin hopes on the ad investment. Last year's 547 new firms spending \$25,000 or more in at least one of these media point up some new trends in advertising breakdowns.

Page 43

WILL YOU TAKE PRESTIGE—OR PROFITS?

That can be the difference between a branch sales staff and a rep, says a GSM who has used both and tells why the sales rep gets his vote for efficiency, customer satisfaction and quick results.

Page 75

UNEXPECTED PAYOFF FROM CUSTOMER SCHOOLS

What started as a simple service to Rockwell Manufacturing customers has mushroomed into a many-angled sales aid that trains salesmen, builds prospect lists, and brings the company valuable marketing clues.

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when it's a case
of lasting
impressions...



it's the
Stebco
Attache Case



You'll see these Stebco Attaches on the big "jets" the "crack" trains—wherever America's top executives and salesmen travel. They take Stebco's famed quality for granted, confident here's a case that will be a credit to them, no matter how big the prospect or how "upper level" the executives they sell. Versatile as a brief case, overniter or sample case. In your choice of quality leathers or Stebco's exclusive Tufide.

Added feature of Stebco Deluxe Attache Cases: removable desk-like partition that doubles as a writing pad. Snaps in and out easily.

For full details, see your favorite store or write

STEBCO PRODUCTS
Chicago 7, Ill.

Over 41 years of superior quality

There's no need to explain your decision

HOSPITALS
delivers
verified
leadership

The lead is

18%

in Average
Total Paid
Circulation
over journal
No. 2

and 30%
over journal No. 3

HOSPITALS, J.A.H.A.* 19,102
Journal No. 2* 16,152
Journal No. 3* 14,673

*Source: ABC Publishers Statement
for 6 months ending 12/31/59.

The lead is

26%

in U.S.
Circulation,
your primary
market, over
journal
No. 2

and
34%
over
journal
No. 3

HOSPITALS, J.A.H.A.* 17,620
Journal No. 2* 13,963
Journal No. 3* 13,140

*Source: ABC Publishers Statement
for 6 months ending 12/31/59.

The lead is

46%

over journal
No. 2 in
Editorial Pages
Covering
Developments in
the Hospital
Field

and 64%
over journal No. 3

HOSPITALS, J.A.H.A.* 1,469 pages
Journal No. 2* 999 pages
Journal No. 3* 889 pages

Source: Count of editorial
pages published during 1959.

HOSPITALS,
Journal of the
American Hospital Association
840 North Lake Shore Drive
Chicago 11, Illinois

Please send Comparative Report
on Hospital Publications

Name _____
Company _____
Principal Product _____
Street _____
City _____ State _____

HOSPITALS, Journal of the American Hospital Association—840 North Lake Shore Drive—Chicago 11, Illinois

Sales Management

EXECUTIVE OFFICES: 630 Third Ave., New York 17, N. Y., YUkon 6-4800

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U. S. and Canada \$10 a year • Foreign \$15

ADVERTISING SALES

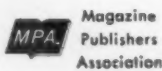
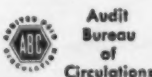
Offices and personnel listed in Advertisers' Index.

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Bill Brothers Publications in MARKETING (in addition to Sales Management): Sales Meetings, Premium Practice. INDUSTRIAL: Rubber World, Plastics Technology. MERCHANDISING: Fast Food, Floor Covering Profits and Modern Tire Dealer.



SALES MANAGEMENT is published the first and third Friday of every month except in May, July, September and November when a third issue is published on the tenth of the month. Affiliated with Bill Brothers Publishing Corp. Second-class postage paid at East Stroudsburg, Pa. Publication (printing) offices, 34 North Crystal St., East Stroudsburg, Pa. Address mail to 630 Third Avenue, New York 17, N. Y.

SALES MEETINGS, Part II of Sales Management, is issued six times a year—in January, March, May, July, September and November. Editorial and production office: 1212 Chestnut Street, Philadelphia 7, Pa. WAlnut 3-1788; Philip Harrison, Publisher; Robert Letwin, Editor.

Copyright, Sales Management, Inc., 1960

335 Editors Rate Nation's Newspapers



The Editors' Ratings in Order of Preference

1. The New York Times.
2. The Christian Science Monitor.
3. The Milwaukee Journal.
4. St. Louis Post-Dispatch.
5. Washington Post & Times-Herald.
6. Louisville Courier Journal.
7. Wall Street Journal.
8. Atlanta Constitution.
9. Chicago Tribune.
10. Des Moines Register.
11. The Kansas City Star.
12. The Baltimore Sun.
13. The Miami Herald.
14. Chicago Daily News.
15. Los Angeles Times.

Milwaukee Journal Third in U. S.

FOR "NEWS COVERAGE, INTEGRITY AND PUBLIC SERVICE"

In a poll of all daily newspaper editors in the United States conducted by "Scholastic Magazines," 335 editors were asked to rate the nation's daily newspapers "most superior for news coverage, integrity and public service." The editors placed The Milwaukee Journal third.

The qualities which won this high rating from the editors have also gained the respect and confidence of the largest newspaper audience in Wisconsin. Half the urban families in all Wisconsin and 9 out of 10 in the Milwaukee area read The Journal daily and Sunday.

The Milwaukee Journal

Member of Million Market Newspapers, Inc.

New York

Chicago

Detroit

Los Angeles

San Francisco



Follow the LEADER in Philadelphia and its suburbs

There's one leader in Philadelphia and its suburbs.
It's The Evening Bulletin.

The 1959 A.B.C. Audit Report shows that The Evening Bulletin's leadership in circulation in 14-county Greater Philadelphia is 145,637.

Two major research studies show The Evening Bulletin's leadership in adult readership in both the city and the suburbs.

The 1960 National Analysts, Inc. survey shows that The Evening Bulletin leads in readership by 351,000 adults in Greater Philadelphia homes with telephones.

And the 1957 Carl J. Nelson Research, Inc. study shows that The Evening Bulletin leads in readership by 396,000 adults in Greater Philadelphia families.

In the suburbs, where Greater Philadelphia is

growing fastest, A.B.C. Audit Reports for 1950 and 1959 show:

The Evening Bulletin's Suburban Circulation Grew TWICE AS FAST As The Morning Inquirer's

	Circulation Gain	Percent Gain
Evening Bulletin	+45,641	+19%
Morning Inquirer	+20,490	+ 9%

The Evening Bulletin's Suburban Circulation Leadership TRIPLED . . . from 11,611 to 36,762

(and this 36,762 leadership does not include the tens of thousands of Evening Bulletins sold in downtown Philadelphia which are carried home to the suburbs every day)

Follow the leader in Philadelphia and its suburbs—
The Evening Bulletin.

In Philadelphia Nearly Everybody Reads The Bulletin

The Evening Bulletin Leads in Circulation and Readership ... in Philadelphia and in Suburban Philadelphia

A MEMBER OF MILLION MARKET NEWSPAPERS, INC.
Advertising Offices: New York • Chicago • Detroit • San Francisco • Los Angeles

Suburban Philadelphia: 13 counties beyond the city in the 14 county Greater Philadelphia A.B.C. City and Trading Zone.

The FTC Squares Off for a Fight

A young relative came to me for advice the other day. He's a buyer for a department store chain that gets out an annual Christmas catalogue, and one of his jobs is to get the chain's suppliers (manufacturers) to buy space in it. Last year, in a 3-day visit to New York, he signed up twenty. This year in the same period he lassoed only three. What did I think was the trouble? Certainly business couldn't be that bad—or could it?

I said I'd bet that his real problem could be summed up in three letters, and that they were F and T and C. "That must be it," he answered, "although most of them used some other excuse or just said that they had to refer such things to their legal department."

The FTC means business in its more vigorous policing of the Robinson-Patman Act. And many sellers, knowing it, are running scared. If you haven't read the new guide-lines of the Commission, turn back to page 83 of SM for June 17, where you will find them reproduced in full. They can be very important to you and your company if you give any advertising allowances.

One result of the tougher attitude of FTC is that it will make it easier, far easier, for you to say "No" to some big customer who demands an advertising allowance you don't want to give. Washington is really helping you to restrict your advertising dollars to media of your own choice!

As a sample of what you can expect from FTC in the future: Daniel J. McCauley, Jr., General Counsel to FTC, made the flat prediction to members of the National Shoe Manufacturers Assn. that within the next four years the personnel of the Governmental body would certainly double, very likely treble, its present size.

Tip: Surest way to get prompt attention by FTC if you wish them to investigate an illegal practice followed by a competitor is to relay it through a Senator or Congressman.

Revlon Advertises — for Salesmen

When you think of Revlon you think of advertising. You think of the now-defunct "\$64,000 Question" program. You think of splashy packaging. You think of catchy product names. Revlon would surely die without the power of advertising and promotion—but apparently Revlon also believes that it would wither away without the assistance of good salesmen.

So Revlon takes display space in The New York Times to attract salesmen who wish to grow with Revlon. "We'll train you at our New York headquarters; start you with a salary of \$435 per month, with two salary reviews in the first six months; give you a liberal expense allowance, comprehensive benefit program, and automobile—as well as back you up with solid national advertising and promotion."

The ad goes on to say: "A management position can be yours in 3-5 years if you are the hard-working individual who can effectively assist our dealers in merchandising the Revlon product line in franchised drug and department stores."

In recent years a lot of poppycock has been spoken and published about the declining need for salesmen, especially in well-advertised consumer lines. Revlon says that it just ain't so.

Creativity by the Calendar

Remember the old ad with the headline (for a correspondence course), "They used to laugh when I sat down at the piano?" Well, a few years back many businessmen and investors laughed at George Romney of American Motors. but that practice is dead today. So when

TO WRITE A "MEATIER" PRODUCT-NEWS RELEASE ...always cover these 6 points

Clear, accurate, complete . . . this has been Industrial Equipment News' prime editorial goal in product-news reporting since it originated the product-news-and-information publishing field in 1933.

Over these 27 years, IEN has prepared more than 113,000 product descriptions and received over 4,750,000 requests for product information from America's leading specifiers and buyers for industry! As a result, IEN has been able to break down information most desired into six major categories every writer should consider before turning out a news release.

1. Explain what it is
2. Explain what it does
3. Dramatize how it works
4. Dramatize how much it will do
5. Reveal why it's more efficient
6. Reveal how little it costs for the value

Why do more key buyers turn to IEN for product news than to any other publication? It's because of the way IEN describes, rather than announces products. And this caliber of editing and reporting helps explain, too, why more advertisers turn to IEN to present their product stories. For details, send for comprehensive media data folder.



INDUSTRIAL EQUIPMENT NEWS
Thomas Publishing Company
... 461 Eighth Ave., N.Y. 1, N.Y. ...
Affiliated with Thomas' Register

EASTERN **ANNOUNCES ITS NEW FLEET OF** **FLYING FREIGHTERS**



OVERNIGHT DELIVERY

NEW YORK—MIAMI—SAN JUAN
NEW YORK—ATLANTA—NEW ORLEANS—MOBILE—HOUSTON
CHICAGO—ATLANTA—MIAMI—SAN JUAN

- Reserved space on every Freighter flight.
- Pressurized and temperature-controlled.
- Flights daily except Saturday and Sunday nights.
- Pickup and delivery service available.

In addition, Eastern offers freight space on over 400 daily passenger flights—including DC 8-B Jets and Prop-Jet Electras—to 128 cities in the United States, Canada, Bermuda, Puerto Rico and Mexico. For Information and Freight Reservations, call your Freight Forwarder, Cargo Agent or Eastern Air Lines.

EASTERN AIR LINES

32 YEARS OF DEPENDABLE AIR TRANSPORTATION

George Romney announces that his Kelvinator Division has dropped annual model changes, the business world wonders whether he is starting a trend that may become as far-reaching as his spirited and effective espousal of the compact car.

"Improvements" by the calendar actually hold back really fundamental improvements, and the attempt annually to create products that are merely camouflaged to seem better is a colossal misdirection of effort away from useful innovation—so runs the reasoning of Mr. Romney and his general manager of the appliance division, B. A. Chapman.

Chapman puts it this way, "No matter how dedicated the manufacturer is to genuine improvement—as the areas of improvement diminish and the annual change dates continue to roll around, the pressure builds up to compromise. What do you do when you reach the deadline for firming up next year's product designs—and you don't have the significant annual improvement the calendar says you ought to have? Then you start to switch handles, twist the metal, distort the chrome, change the shelves and doodle with gadgets.

"The kind of pressure that produces better goods is the pressure of competition from other creative minds—not competition with the calendar. Competition with the calendar simply siphons off creative energy and everybody ends up producing trivia with consoling consistency, while important benefits are necessarily delayed. . . . Replacement rates reflect the average trouble-free performance life of the product, not its appearance outdating."

That may sound like heresy, but if Romney and his crew pull a blooper on this, it will be the first since they took over the reins at American Motors.

'Buy a Second'

The very perceptive Sylvia Porter, noted writer on economic subjects and syndicated in leading newspapers, senses a trend from "I have one" to "I have two" as being in its infancy, but bound to grow because it is made to order for the convenience-loving seekers of status that most of us are.

Miss Porter sees this as a new theme in American advertising to the masses. She calls it "a distinctly new recognition by U.S. manufacturers that millions of middle-income families already have one of each of the familiar items—including an item as big as a house—and that a way to maintain our buying until the bulge in marriages in the mid-1960's sends demand soaring again, is to cultivate our desire for two of each of the items."

The more you look at it the more sense it makes as compared with the theory of "enforced obsolescence," because it adds to, rather than replaces.

Items You Will Like (I almost guarantee)

For my dough the best 3-bucks' worth on the market today is the hilarious record, "The Button-Down Mind of Bob Newhart," in which he spoofs Madison Avenue and a certain type of sales executive. . . . If what is taught in our colleges about selling and other phases of marketing is of any concern to you, write The Carnegie Corp., 589 Fifth Ave., New York 17, N.Y., for a free copy of the 72-page book, "The Education of American Businessmen." . . . An absorbing novel about the last days of a thinly disguised giant of the American magazine publishing industry is Theodore H. White's "The View from the 40th Floor."

Phil Salisbury

3RD LARGEST MARKET IN ILLINOIS-IOWA



ONE OF THE FIRST 100 MARKETS

Newspapers sell big in the Quad-Cities. To sell the larger Illinois side, use the Argus and Dispatch.

56% of Quad-Citians live on the Illinois side.

QUAD-CITIES LARGEST COMBINED DAILY CIRCULATION

ROCK ISLAND ARGUS and MOLINE DISPATCH

REPRESENTED BY ALLEN-KLAPP CO.

PLAN YOUR DIRECT MAIL CAMPAIGN PROPERLY — SELECT THE RIGHT LIST!

Primary requisite for the effective use of Direct Mail is the completeness and accuracy of the mailing list.

Industry's buyers are never static. New names must be constantly added, deleted, changed, checked and re-checked.

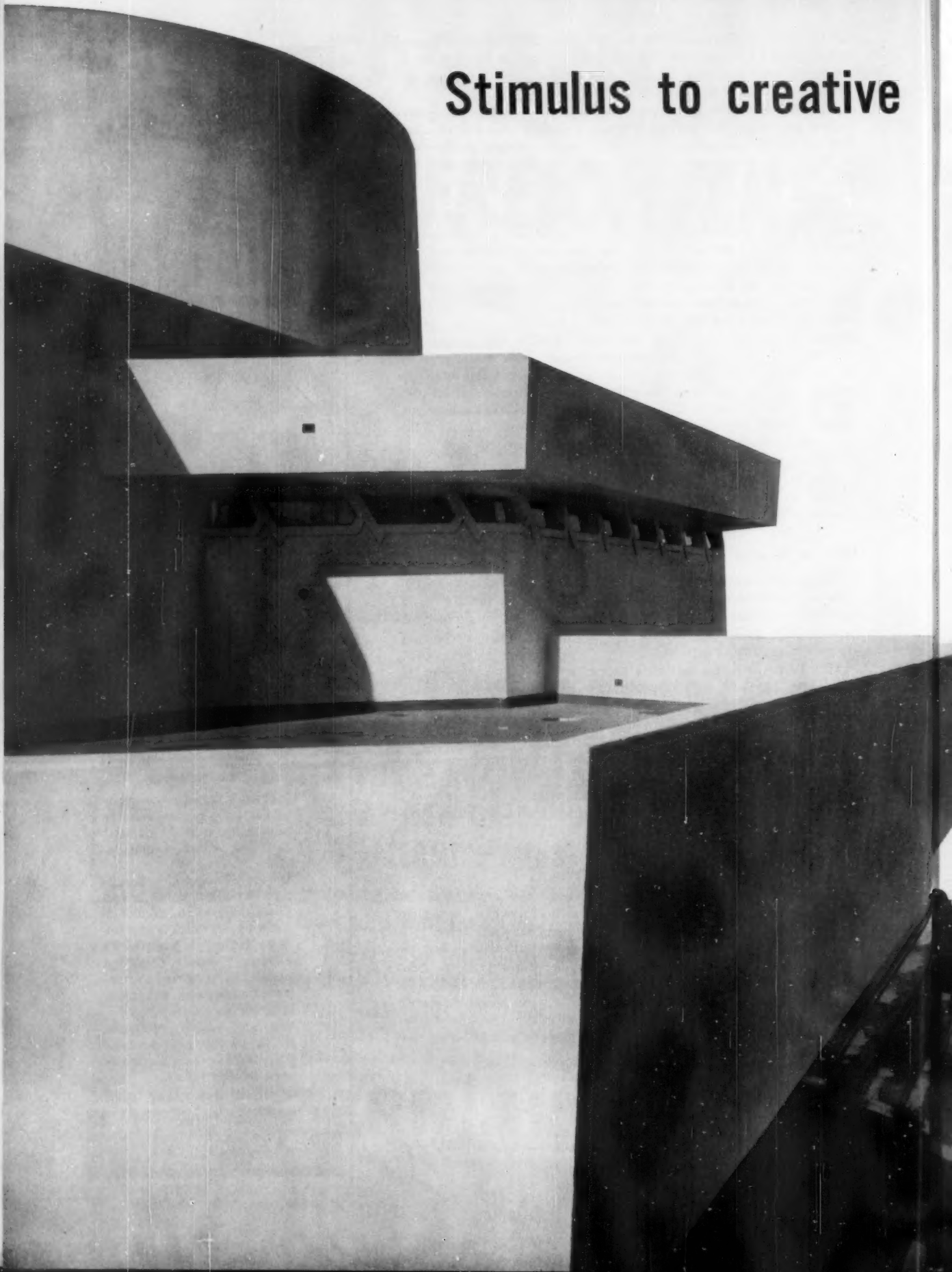
Uniquely equipped to handle that important detail is McGraw-Hill's huge circulation department, which is specially staffed with a group of 90 experts, whose combined abilities keep our lists as complete and accurate as humanly possible.

Why not specify a McGraw-Hill list on your next mailing? It's your best possible insurance against failure.

Write for our free catalog today!

McGraw-Hill Direct Mail Division
330 West 42nd Street
New York 36, New York

Stimulus to creative



architectural and engineering design

ARCHITECTURAL RECORD has attracted the largest number of architect and engineer subscribers in the history of its field by finding out what they need and supplying it in ways that inform and stimulate.

Effective editing hinges on an unflagging awareness of the activities, problems and interests of readers.

A tall order in the architectural field . . .

Consider . . . the fluctuating interest of architects and engineers in individual building types as they vary in volume . . . the design implications of new products and methods . . . the unceasing clash and accommodation of taste and technology . . . the fast changing programs of industry, commerce, government, education and medical care for which architects and engineers must plan . . .

Even Architectural Record's highly qualified editorial staff would be severely handicapped without its . . .

Exclusive Information Facilities:

- On building planning activity: F. W. Dodge Corporation's daily *Dodge Reports*.
- On construction trends: *Dodge Statistics*.
- On costs: Dodge's *Dow Building Cost Calculator*.
- On reader interests: *Eastman Research Organization* plus *Continuing Readership Research*.
- On education and medical care: Record's sister publications, *The Nation's Schools*, *College and University Business*, *The Modern Hospital*.

Rewarding Reading — With the aid of these penetrating and accurate information sources Record editors are better able to serve promptly the full range of architect and engineer interests . . . and to alert their readers to tomorrow's opportunities.

Moreover, *all* the Record's editorial resources—including an unequaled number of editorial pages—are concentrated on serving architects and engineers. Its timely building presentations, authoritative technical articles, expert drawings and perceptive photographs all speak *their* language. And its editorial content is enriched for them by the world's leading architectural critics, practitioners and innovators. From cover to cover Architectural Record is rewarding reading and a *stimulus* to creative design.

Leadership Results: Architects and engineers have voted Architectural Record "preferred" in over nine out of ten independently sponsored studies. And more architects and engineers subscribe to the Record. They're *active*, too—verifiably responsible for over 89% of all architect-planned building!

ONE MORE RESULT: again in 1960 more advertisers are placing more advertising pages in Architectural Record than in any other architectural magazine. The Record's margin of leadership—60 per cent!

Kalita Humphreys Theatre, Dallas, Texas.
Architect: Frank Lloyd Wright.
Photographer: Messina Studios.

Architectural Record

119 West 40th Street
New York 18, N. Y.

"stimulus to creative architectural and engineering design"





LICORICE STICK, PRESIDENT & THE KING: Jack Feddersen (l), president of H. & A. Selmer, Inc., welcomes an old friend, Benny Goodman, to the board of directors.

The King of (Sales) Swing

If you were a manufacturer of cosmetics designed for the aging beauty, who would you like on your board of directors to lend luster to your product? Easy: Marlene Dietrich. If you were a manufacturer of golf clubs, wouldn't you be delirious with joy if you could persuade our soon-to-be-ex-President to sit on your board? Of course you would. But suppose you were a manufacturer of clarinets? You'd probably try your damndest to entice Benny Goodman into your corporate family. And that's just what H. & A. Selmer, Inc., one of the world's leading makers of musical instruments, has pulled off.

Recently, in New York, the Elkhart, Ind., company bade the press come to lunch and meet Benny Goodman. And on a hot, humid Monday several hundred writers turned up at Basin Street East, where Benny is packing them in each night. No one really expected more than a clarinet obligato. But as dessert was being placed before us, Selmer's president, Jack F. Feddersen, rose and made his announcement. Benny had been persuaded to join Selmer's board and to act as a sort of salesman extraordinaire.

How did Selmer do it? By selling Benny on selling Selmer. He reminded him that 25 years ago Selmer sent Feddersen out to Chicago to meet a new band leader who was setting toes to tapping. The leader was B. Goodman. When Feddersen, who found Benny tooting away on a Selmer clarinet, returned to Elkhart, he shook up the company's limited advertising budget and ran a full-page ad in *Down Beat* magazine, bragging about the fact that Benny and many of his men played Selmer instruments.

"That was the first full-page artist endorsement advertisement of its kind," says Feddersen. "And it was the beginning of a long series featuring Benny Goodman that we have run over the years."

► So Benny remembered Selmer kindly. And the public might have reason to associate the names of Selmer and Goodman. For when the movie, "The Benny Goodman Story," was made, Goodman saw to it that Selmer instruments were in the movie, not only visually, but mentioned by name in the dialogue. This was one of the few spoken plugs in movie history.

Feddersen long had thought about having Benny on the board. But Goodman is a notoriously un-commercial-thinking man. When his particular style of jazz underwent an eclipse and big bands dropped by the wayside, Benny went back to classical music and played with several symphonies as guest artist. But all the while—and particularly when Rock and Roll reared its unlovable head—he had been in a private anguish over the low state of popular music and the equally low musical standards. Feddersen heard of the Goodman dissatisfaction and saw his opportunity.

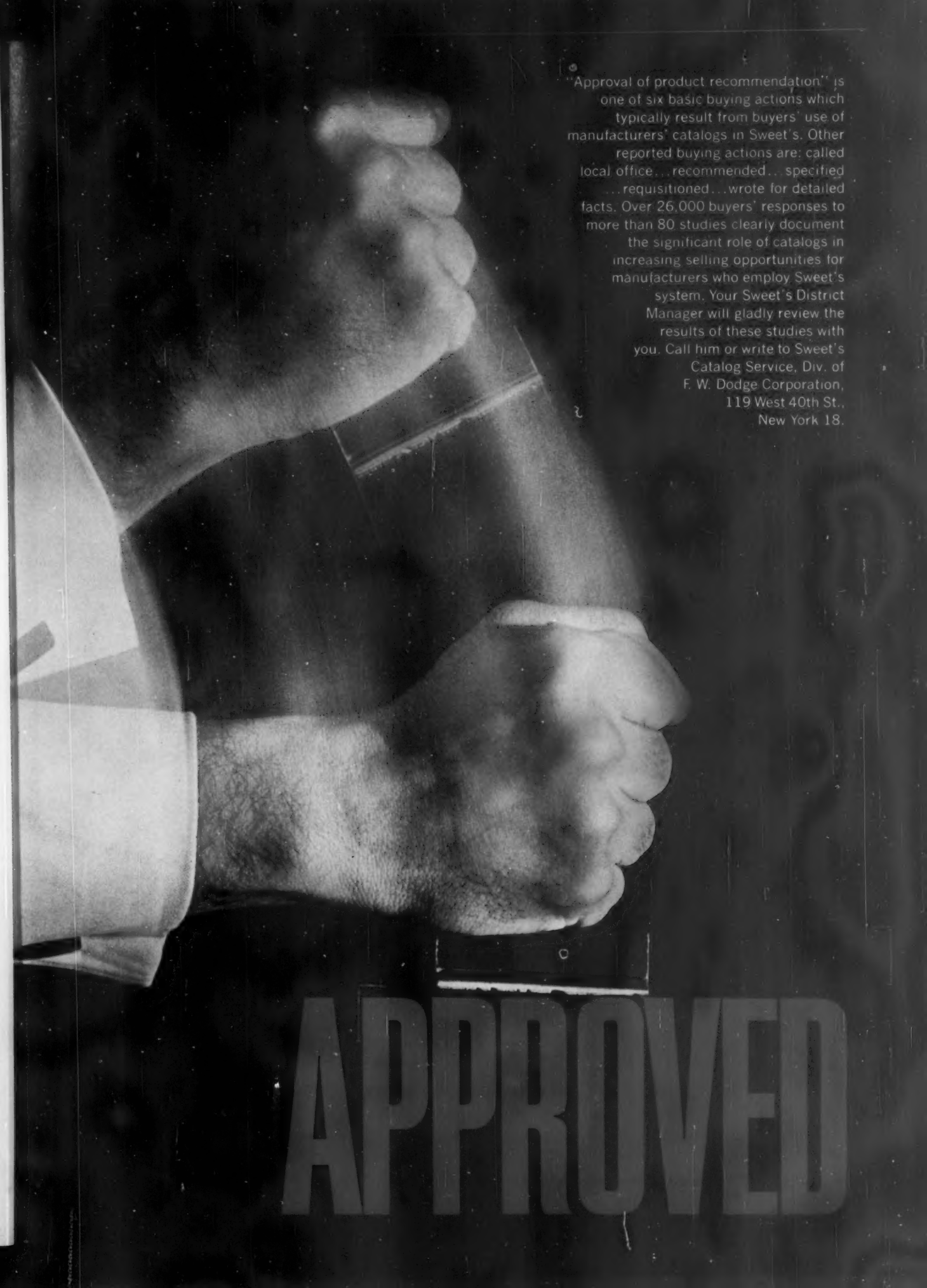
Not long ago he ran into Benny in New York and gave him a sales presentation. He pointed out the unusual fact that Selmer, which formerly did the bulk of its business in the professional instrument line, now does well over three-fourths of it in the music education field. And he hammered home the even more unusual fact that Selmer employs men with music education degrees as salesmen!

So the great man capitulated. He will make appearances in Selmer's behalf at meetings of music dealers, educators, students and others in the music field. He recently brought his entire band to play for Selmer's annual dealer meeting at the Palmer House when the National Association of Music Merchants Trade Show took place.

► He'll help Selmer's sales by working with the company on many of the phases of the new fast-moving high school dance band movement.

But at that luncheon where Selmer announced Benny as a member of the board, he showed that his greatest sales will be made doing what he does best: playing his music. He had brought along his entire band and for half an hour the band gave forth with those tunes that made him the idol of a generation ago. The press had to be asked to leave. And we noticed that the members of the Fourth Estate who stayed longest were striplings in crew cuts and Ivy League suits.

Selmer wants a bigger-than-ever share of the burgeoning music business. For this is an industry that has doubled its retail volume in 10 years. Sales of all musical instruments and sheet music totaled \$502 million in '59, compared with \$220 million in 1949. Selmer, itself, chalked up a gain of more than 400% for the same period, is today the number one producer of clarinets. ♦

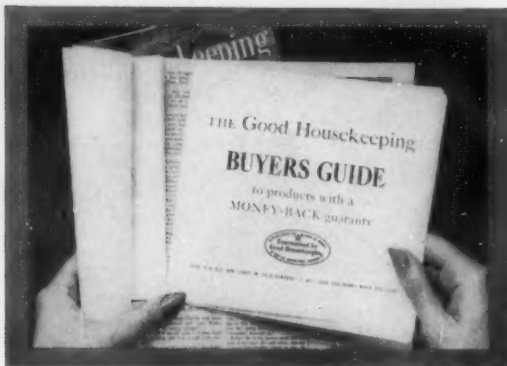


• "Approval of product recommendation" is one of six basic buying actions which typically result from buyers' use of manufacturers' catalogs in Sweet's. Other reported buying actions are: called local office... recommended... specified... requisitioned... wrote for detailed facts. Over 26,000 buyers' responses to more than 80 studies clearly document the significant role of catalogs in increasing selling opportunities for manufacturers who employ Sweet's system. Your Sweet's District Manager will gladly review the results of these studies with you. Call him or write to Sweet's Catalog Service, Div. of F. W. Dodge Corporation, 119 West 40th St., New York 18.

APPROVED

Announcing an important new service to readers
that no other consumer magazine can duplicate

The Good Housekeeping Buyers Guide



It will make shopping easier in over 5,000,000 homes—for all the millions of Good Housekeeping readers.

The Buyers Guide will be a purse-size service booklet bound into subscribers' copies of November Good Housekeeping—easy to tear out, to keep and to use. It will be banded to the covers of Good Housekeeping on the newsstands.

It will list alphabetically all the fine products investigated and backed by the Good Housekeeping Consumers' Guaranty.

We know our readers will heartily welcome this modern aid to buying. We asked a sizeable number and they said "Yes" overwhelmingly.

New editions are planned at six month intervals, to make it continually useful.

Good Housekeeping is proud to add this significant new service feature, appearing for the first time in the November issue.



Good Housekeeping

MAGAZINE AND INSTITUTE

...because nothing persuades like the truth

A HEARST MAGAZINE



**A reproduction of our first announcement to the public,
informing them of this new service to our readers**

This advertisement will be published in leading newspapers across the country plus an advance announcement in Good Housekeeping itself and in the November Reader's Digest.

Advertisers in Good Housekeeping will immediately see the implications of this unique new Buyers Guide reader service. Their brand names will be listed 5,000,000 extra times, in a special, convenient form for consumers' use at the time of purchase.

This additional selling power accrues automatically to advertisers in Good Housekeeping. It's a unique merchandising opportunity. Ask your representative for the merchandising plan to suit your needs.



How to win local markets—anywhere

Olivetti Machine Tools decided to sell its precision-built machines in the United States. This move set up a problem, for this Italian-based company has to convince prospects that they can get *fast and dependable parts service*.

"The first thing prospects want to know about is the availability of parts," said Mr. Robert A. Blum, U. S. manager of the tool division of world-famous Olivetti. "We tell them we maintain a basic supply of parts in our New York warehouse, and this supply is kept up by a steady flow of shipments from Italy by Emery Air Freight."

"Then they want to know how quickly they can get replacement parts from our American stocks to keep

costly 'down time' in their plants to a minimum. Our answer is: we distribute parts from New York *overnight* to our customers anywhere in the United States by Emery Air Freight. And the fact that they can rely on this fast air freight service clinches the sale for us.

"Emery Air Freight is one of our strongest points in selling prospects and keeping them as customers. And another point, Emery helps us keep inventory costs to a minimum."

Find out how Emery's air freight marketing services can help you. Call your local Emery representative today. Write for free idea-packed booklet: "6 New Ways to Promote Your Products by Air Freight."



EMERY AIR FREIGHT

801 Second Avenue, New York 17, N.Y. "EMERY—Worldwide Blue Ribbon Service"

The Price of Goofs Is Going Up

It has become prohibitively expensive to make a marketing goof. And the cost will continue to skyrocket at a rate that grows faster every day.

Why? Certainly common inflation plays a part. And it's pretty obvious that today's highly competitive company has more riding on every marketing move than was once the case.

But there are other, more subtle reasons. Reasons which, when examined, often prove to be the most important of all. And many of these reasons, all phenomena of modern marketing, are just now beginning to grow into major factors in most companies.

Sometimes it's possible to take action to reduce the possibility of making an expensive error. Or certain steps may be taken to reduce the damage that could be caused by a mistake. But left alone, these factors can only drive the cost of errors up and up and up.

The rising costs of marketing services. This is the first thing one usually thinks of when discussing the cost of marketing errors. It is little or no trouble to lay a \$200,000-egg on one TV program; and coverage is better than ever. For its money, a company can now look bad before more people at one time than ever before. Or, for a mere \$109,000, Life, Look, Post and Reader's Digest promise to show an advertising page an average of 2.6 times to 51.2% of the population.

In other words, everything is better, bigger, more expensive. National distribution can be achieved in a week. There are more people to be sold, it is more expensive to reach them with message or product, and it takes a bigger splash to really impress them. The result: an opportunity to make the most monumental goofs in history.

The lean, lithe look of modern marketing. Mar-

keting is getting more and more streamlined. Example: Makers of TV sets introduce completely new lines twice a year. One, Zenith, brought out 38 new models in June to replace 40 models introduced last December. The new models will be obsolete five months from now. Zenith must gear production, inventories exactly to demand. Channels of distribution must be filled overnight. There can be no shortages and no leftovers to be dumped at the end of the model year. The result: a marketing system that is taut as a piano string. In other companies, automated inventory control, regular use of air freight to cut field facilities, etc., create similar situations.

What happens? Like a precision instrument, such marketing systems work beautifully—but they don't have the slack to absorb a bum decision. Even a small boner can cause pandemonium and result in very costly, extensive emergency situations. And this tightening up of marketing is really just beginning.

Crowding in the Market Place

New products flood the markets. In many industries, the number of new brands hitting the market is growing faster than the market's ability to absorb them. Autos are one example: Last year there were about 17 major makes of American cars. This year there are 21 and there probably will be 25 next year. But there has been little or no rise in demand; in fact, the best year was five years ago. Therefore, the market pie must be sliced thinner. This means that a new product must be exceptional just to capture enough of the market to break even. No longer can a company create a mediocre product, run with it long enough to get the investment back, and get out. And every new product intensifies the situation just that much more.

More and more company operations revolve around marketing. When to expand capacity,

whether to engineer a new product or improve an old one, whether or not new financing is needed are all typical non-marketing decisions that are coming to depend more and more on the marketing director. His estimates of markets, of future sales, of customer desires **set the pace** for the entire corporation. An error by him has a much farther-reaching effect than does a misjudgment by other members of the management team.

The growth of scientific marketing methods. Such developments as market research, packaging and advertising research, market testing not only add directly to the cost of marketing, but are "things to be done" that add ever-increasing amounts of lead time to planned marketing moves. One victim of this was the Edsel. The car was to be so well planned that the researchers began work in 1954 for the 1958 model. But by the time '58 rolled around tastes had, unfortunately, changed; the rest is history. Even more important, added lead time, combined with tooling-up time, testing time and introductory time, creates a sluggish package—package that is in many respects so ponderous that initial miscalculations build up momentum. So much momentum, in fact, that marketers are often forced to tearfully watch their errors carried on for months while laborious corrective measures are taken. When a company tools up, builds inventory, and fills the channels for quick national distribution, a suddenly discovered error made 'way back in the beginning takes months to fix.

Communications Break Down

Corporate growth means a loss of contact between front office and field. The bigger, more complex a company gets, the more formal (or even non-existent) is the relationship between salesman and manager. The field force becomes stiff-legged. The salesman must stick to rules, pre-set prices, etc. This adds to the cost of error in two ways: (1) The salesman can't take it upon himself to patch up the error at customer level to any great degree, and (2) jammed communications between

front office and field create an expensive **time lag** between the moment the salesman discovers something wrong and the time top management hears about it. Such time lags, often at the crucial moment of product introduction, mean just that much more time for the company to get in deeper and deeper.

Industrial Buyers Don't Forget

This is particularly acute at the **industrial marketing** level. Here, where large sums of company money are involved, customers are extremely reluctant to forget a supplier's error—an error which might have been avoided by faster management action.

The growing complexity of markets. Not only does **unexpected competition** from other companies and new materials arise overnight, but the intensified drive to **corporate diversification** and **merger** creates a kaleidoscopic buyer-seller pattern. The net result is that entire markets and sales pictures alter with astonishing suddenness. Because of the speed and totality with which these changes occur, any company that decides to put its eggs in the wrong baskets is lucky to escape alive. And this new competition-diversification-merger chase will intensify, if anything, in the next few years.

So up, up, up goes the price of a marketing blooper. Fortunately, the marketer is not powerless to check this spiral. Against some inflationary factors, of course, he can do little. But he does have some weapons against those cost-increasing factors that arise from the growing complexity of marketing. For example, many marketers are giving top priority to **improving their decisions** by scientific means (SM July 1—"What's the Status of Mathematical Marketing?") so there will be less chance of error. Others are purposely building check points into their marketing set-ups . . . or special troubleshooters . . . or special lines of communication . . . or emergency teams . . . which can bypass the cumbersome machinery and ferret out errors before it's too late.



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The New Yorker creates

"I first encountered serious criticism in The New Yorker. Robert Benchley and later Wolcott Gibbs on theater, John Mosher on movies, Clifton Fadiman on books, helped shape my own style as a critic. There's hardly a critic or reviewer in the country who has not been moulded to some degree by The New Yorker's critics. Its

great influence has been to make criticism not only honest, which goes without saying, but humane and sensible which are rare and important virtues, too."

John Crosby

John Crosby, TV Columnist,
The New York Herald Tribune





THE BILLION DOLLAR SPOKANE MARKET.

Metro figures are dwarfed by the magnitude of the total Spokane Market. More than a million people with \$2 billion net income spend \$1.3 billion at retail annually. That's more people, more income and more total retail sales than you get in all but the nation's 19 largest metro areas. You sell this 36-county market easily and effectively with just one "Newspaper-Buy" . . . the Spokane Dailies!

Big . . . rich . . . and walled in on all sides by towering mountain ranges, the Spokane Market is virtually impregnable to outside advertising — another reason The Spokesman-Review and Spokane Daily Chronicle are a *must* on your "A" schedules.

Spokane is a BURGOYNE Grocery and Drug Test City

*Source: Sales Management Survey of Buying Power, May 10, 1959

"60% OF MY FOOD SALES COME FROM OUTSIDE SPOKANE COUNTY.

This certainly proves the Spokane Market is the one big exception to the metro area concept. It includes parts of 4 Pacific Northwest states, and the grocery manufacturers I represent cover it with one newspaper-buy — The Spokesman-Review and Spokane Daily Chronicle."

H. P. CHRISTY
H. P. Christy Co., Inc.
Spokane Food Broker

4 TIMES AS BIG AS IT LOOKS!

Heart of the Pacific Northwest



METROPOLITAN SPOKANE

Retail Sales:
\$342,344,000
The Spokesman-Review and Spokane Daily Chronicle reach more than 9 out of 10 families.

RETAIL TRADING ZONE*



Retail Sales:
\$793,504,000
The Spokesman-Review and Spokane Daily Chronicle reach 7 out of 10 families.

TOTAL SPOKANE MARKET



Retail Sales:
\$1,348,779,000
The Spokesman-Review and Spokane Daily Chronicle reach approximately 5 out of 10 families by carrier delivery.

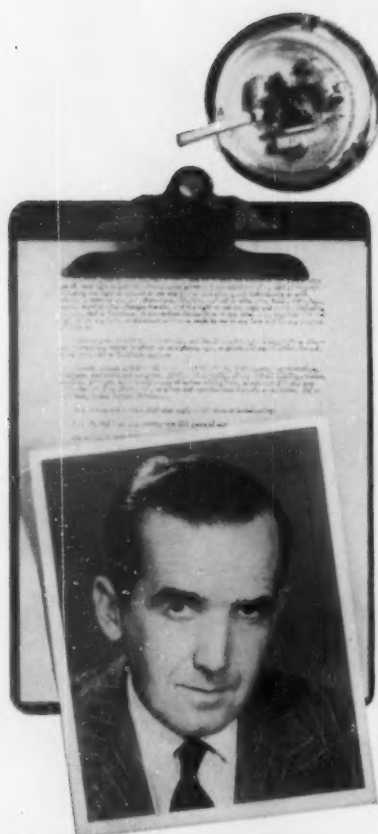
*24 complete counties shown. Latest data with exception of circulation unavailable for parts of counties defined by A.B.C.

THE SPOKESMAN-REVIEW SPOKANE DAILY CHRONICLE

Cover
the Inland Empire
like
the sunshine

Advertising Representatives: Cresmer & Woodward, Inc. Sunday Spokesman-Review carries Metro Sunday comics and This Week magazine.

-SM-MARKETING



BACKGROUND

Edward R. Murrow returns—with a major innovation in news programs. Every Sunday he and crack CBS News correspondents abroad examine the week's most significant news in a 25-minute international "conference call." The objective: to impart fresh insight into the meaning of the news. In all radio, Edward R. Murrow is the kind of company you keep . . .

**ONLY
ON CBS
RADIO**

THE RACE GOES ON

Louisville—Kentucky Kings, new-type cigarette with a tobacco filter, was introduced nationally last month by Brown & Williamson (Life, Viceroy, Raleigh, Kool) after what may have been the shortest market test in the industry—ten weeks. The reason for the brevity of the test (most of which run six or eight months) is supposedly that the results of the tests were so "outstanding." But some industry observers feel there was another reason: a possible forthcoming resumption of the cigarette race, with new tobacco-tipped brands from several major makers vying for acceptance.

WOMEN BUY MORE LIQUOR

New York—Sex is becoming a less and less reliable determinant of who in the family buys what products. According to a new survey by Package Store Management magazine, 38% of liquor store customers today are women, which is double the 1950 figure. Most of the increase has occurred in the last five years.

HELP FOR SUPPLIERS

Burbank, Cal.—Space-age companies all too often get as complicated internally as the products they manufacture. Knowing this, Lockheed's Missile and Space Division has issued a booklet listing the steps to take in making contact with its Sunnyvale operation or the central purchasing office in Burbank. Title of the brochure: "Guide to Selling Lockheed Missile and Space Division."

SPECIAL TO STOCKHOLDERS

South Bend—The auto industry's latest—and most revolutionary—plan for beefing up weak end-of-model-year sales has been put into effect by the Studebaker-Packard Corp. The plan centers around the company's 200,000 stockholders—a good-size, interested market if there ever was one. The offer: a \$100 rebate from South Bend on each car bought during July, August or September by shareholders of record June 20.

The refund is, of course, in addition to any other deal the customer can get from the dealer. When the sale is made, dealer and buyer sign

statements showing that (1) a car was bought, and (2) the purchaser was a stockholder. These are sent to company headquarters, which sends a check directly to the customer. There is no cost to the dealer.

NEW FILM UPS SHELF LIFE

New Haven—A new antioxidant cellophane, said to extend the shelf life of film-wrapped foods containing high oil, shortening or fat content, has been developed by the Packaging Division of Olin Mathieson Chemical Corp.

The new film, which is called OF-20, was specifically developed for use in packaging potato chips, other snacks such as popcorn, corn chips. Designed to retard oxidative rancidity, it is reported to extend the shelf life of potato chips as much as 50% without sacrificing any of the packaging characteristics of regular cellophane.

CALIFORNIA FARM BOOM

San Francisco—Increased production and diversification help farmers as well as businesses, states a report just released by Crocker-Anglo National Bank. California, possibly the richest farm market in the world, last year boasted an average gross income of \$23,981 per farm—three times higher than the national average. Total state farm income was \$3 billion. A major factor in this boom: The state produces 139 commercial crops, more than any other state. In addition, the food processing and packing industries in the state handle one-third of the U.S. industry total.

The Survey Says*

26% More for Autos

Today

Sales

\$37.0 billion

Ten years ago

Sales

\$29.4 billion

*Source: Sales Management's 1951 and 1940 Survey of Buying Power

on the MOVE

BLADE SALES SOAR

Boston—Last January, the Gillette Safety Razor Co. ran a series of black-bordered, all-copy ads to introduce the new Gillette Super Blue Blade. Experts were skeptical about the utter lack of glamour in the ads; and when follow-up ads apologized for the shortage of the new blades, the savants shook their heads in unison.

But Gillette has just announced that in their first five months on the market, the new blades climbed to third place in the industry—right behind regular Blue Blades and Gillette Thins. In fact, the soft-sell introduction was so successful that sales of the blades have been “40% ahead of the most optimistic advanced forecast.”

NEW FOIL AD PROCESS

Milwaukee—Aluminum foil newspaper ads have been hailed as an exciting way to present a sales message—if the high cost could be borne. But now the Milwaukee Sentinel has developed a process that enables the advertiser to run pre-printed foil ads in less than page widths. The foil, previously laminated to paper, is affixed to the regular newsprint in any desired column position during a normal high-speed press run. The back of a page so treated can be used for regular news and advertising.

The advantages are many: Costs are cut because far less foil is needed for a part-page; the rest of the page can be printed with advertising copy in a low-cost regular press operation; the foil can be used strictly as an eye-catcher or to show actual reproductions of foil packages and metal products.

WHAT COULDN'T BE DONE?

Detroit—Unofficial but authoritative sources say a rear-engine Chevrolet Corvair station wagon is definitely in the cards for next fall. The engine is reported to be underneath the rear floorboards, although the new Corvair, unlike the Volkswagen, is supposedly designed to look like a conventional station wagon.

Also from Corvair: the new Monza, a Corvair with sports-car type bucket seats, more than the usual compact-car interior appointments. It is being marketed as a “stablemate” to the Corvette.



THE VALUE OF IMAGINATION

Chicago—Once again, proof positive that the imaginative salesman—the one who is not confined by the product applications listed in the catalogue—is the one who brings in the sale. The Wilson Sporting Goods Co. just placed an order with the Dixie Cup Division of American Can for 100,000 paper cups without bottoms.

Why? Because an enterprising Dixie cup salesman convinced Wilson that the cups made ideal pedestals for baseballs in sporting goods displays.

VOICE FROM THE KITCHEN

New York—Although the whimsical, storied “consumer’s rebellion” has yet to take place, Mrs. Housewife is definitely getting more and more to say about corporate marketing plans. First, there was the American Institute of Approval (SM June 3, p. 98), a group of women gathered under the banner of a Lady Douglas-Hamilton for the sole purpose of telling marketers (for a fee) whether their products are in good or bad taste.

Now, a new group: a marketing research “division” of Women’s Club Service. The offer: more than 10,000 women in 360 women’s clubs are available for product testing. Clubs are classified by location, average age, income, family status, etc., of members, and by other economic and demographic characteristics. Special groups are available, too: farmers’ wives, college grads, and the like.

WHAT THE AUDIENCE BUYS

New York—People don’t necessarily equal purchases—so the habits of a particular ad medium’s audience can be more important than just the sheer numbers of people. This is clearly

(continued on next page)



Ma Perkins

Her story is the oldest, continuous daytime drama in radio, but Ma Perkins is as up-to-date, as freshly confident as the youngest face in Rushville Center. Her point of view, her newest adventure always hits home, no matter where home is across America. Sponsors find her sales message hits home too. In all radio, Ma Perkins is the kind of company you keep...

*Only
On CBS
Radio*

The Only Publication for Catholic Administrators

**issued for
Peak Buying Seasons with
Proven, Verified Readers!**

Unlike any other publication in this field, Catholic Management Journal's editorial program covers the entire management picture before, during and after construction.

The Journal presents timely, useful ideas in all of the areas of importance to administrators... from planning, fund-raising, purchasing and budgeting through construction into the many day-to-day problems of administration.

**Controlled Circulation
to Deliver
Known Buying Power**

More than 21,000 pastors and key Catholic administrators receive Catholic Management Journal five times a year... during their most active specifying and buying seasons.

That these readers prefer Catholic Management Journal is verified by VAC's Reader Analysis (95.7% find the Journal's editorial content useful... 93.5% find its advertising helpful).

VAC

SEND FOR SAMPLE COPY
AND COMPLETE DETAILS.

CATHOLIC

MANAGEMENT

400 N. Broadway
Milwaukee 1, Wisconsin

JOURNAL



—SM—MARKETING on the MOVE—

demonstrated in a study just released by the Market Research Corp. of America in which the media exposure of a consumer panel was tied in with week-to-week purchases of the group.

One sample of the findings: An analysis was made of the purchases of a certain laundry product by the audiences of four daytime network TV shows. In one group, the amount spent per housewife was 32% below the U.S. average. Housewives watching the other three programs, however, spent 21%, 50% and 134% above the national average on the product.

WHAT'S YOUR 'LIFE SPAN'?

Ann Arbor, Mich. One of the most important factors in developing sales estimates is the "life span" of a product, according to Donald Cowan, professor of marketing, University of Michigan. He cites the life expectancies of these consumer products: Electric refrigerator—15 years; electric or gas range—15 years; vacuum cleaner—11.4 years; electric washing machine—9 years; and the TV set—9 years.

The professor didn't note that some of these products attain a ripe old age only through loving and expensive care lavished by the owner.

ROBOTOURING NEARLY HERE

Princeton—Sleepy or liquored-up motorists won't be able to turn over the wheel to an "automatic pilot" for some years yet, but the systems and devices worked out by RCA and General Motors to make this possible are workable, and some of them are likely to be in use very shortly.

Electronic circuits, says Dr. James Hillier, v-p, RCA Laboratories, will be able to perform various functions within the present traffic environment. These include operation of speed warning or traffic lights, measurement of car speed, and counting vehicles and adjusting signals for maximum traffic flow. Similar equipment is being tested to aid control towers in directing surface traffic at airports.

MORE NON-FOODS IN SUPERS

New York—Look for more and more super markets to turn to enlarged non-foods lines to bolster profits. Last year 32,000 super markets accounted for 69% of grocery sales, Progressive Grocer reports.

NEEDED: A USE FOR GROUT

Barre, Vt.—Selling refrigerators to Eskimos must be easier than selling grout. At least that's the way that granite quarriers in this New England town view the situation.

Grout, we are told, is the leftover granite stone that is not quite suitable for monuments or headstones. And, after 135 years' quarrying in the area, the community has quite a mountain of grout—nearly 8 million tons. It does find some market as paving and building material, but the supply exceeds demand several-fold, and even Yankee ingenuity has not solved the problem. Good grout salesmen are scarce, too.

BOATS SHIPPED OVERSEAS

New York—The export dollar volume of boats, engines and marine parts achieved by the American boating industry for 1959 exceeded imports by almost 400% says the National Assn. of Engine and Boat Manufacturers, Inc. Total value of exports was \$47,537,484, as compared with imports totaling \$9,647,785. The 4,573 recreational craft shipped overseas accounted for \$5,800,000 of the total, with combined inboard and outboard engines making up \$25,079,840 of the total.

SUMMER'S NOT THE SAME

Syracuse — When people's habits change, markets change. And figures just released by the Carrier Corp. show that summer living is one fast-changing habit. Last year, 5½ million U.S. homes—almost 11% of this country's households—had air conditioning. The heaviest concentrations were in the South, but other regions are not far behind. These figures show number and percent of total households with air conditioning in 1959:

Texas	731,000	26.5%
N.Y.	518,000	10.0
Ill.	346,000	11.2
Penn.	317,000	9.6
Fla.	303,000	22.5
Mo.	265,000	19.5
N.J.	228,000	13.0
La.	227,000	26.2
Calif.	210,000	4.2
Tenn.	195,000	20.5

Cooler homes, of course, mean less seasonal change in such living habits as cooking, eating, TV watching, entertaining, etc.

Mrs. Taylor never heard of Continental's Gair division

but the GAIR people
know her very well!

Continental always keeps its eye on the unsuspecting Mrs. Taylor. That's why Mrs. Taylor always keeps *her* eyes on products in Continental's Gair cartons.

Continental keeps up on the colors she likes, the shapes that stop her . . . what makes her *buy*.

The only evidence Mrs. Taylor sees of this endless intelligence, of the Continental fine facilities from coast to coast for lithography, gravure and letterpress printing, is the ever-improving cartons on the shelves. Cartons more colorful, more convenient to use, easier to read. Cartons that go with her to the checkout counter.

So remember, years of leadership in the printing, construction and manufacture of boards and folding cartons give Continental's Gair division the experience to turn your problem into profits. Call us today!



CONTINENTAL  CAN COMPANY

BOXBOARD AND FOLDING CARTON DIVISION

530 FIFTH AVENUE, NEW YORK 36, N. Y.

THE ONLY MAGAZINE EDITED EXCLUSIVELY FOR BUILDERS

Practical Builder

The Magazine

An aerial photograph of a residential construction site, showing numerous houses under construction or recently completed. The image is overlaid with three concentric white circles, creating a target-like effect that draws the eye to the center of the construction area.

CENTRAL INTELLIGENCE for

From North, South, East and West—from representative builders of all types and sizes—comes a steady flow of vital information—compiled and classified by the Bureau of Building Marketing Research—an agency of Practical Builder Magazine.

Through the Bureau, PB keeps its sights constantly fixed on the total light construction target—an area of ever-shifting activity encompassing over \$40 billion in new home construction, remodeling and non-residential building. As the industry's only continuous information center, the BBMR acts as a veritable business barometer. It traces the movement of building products, equipment and materials—perpetually updates marketing data and building trends. In short—lends substance to the edi-

that Knows the Market Best



the Light Construction Market

torial insight that makes Practical Builder the best read, most effective medium serving the builder-buyers you *must* sell!

It is not surprising, therefore, that manufacturers consider PB the Plus Book in the Light Construction field: Total Coverage . . . *Plus* Marketing Leadership! PB, for example, can help you plan and coordinate your entire builder marketing program . . . furnish you with factual BBMR reports on product potential . . . develop your appeal . . . and provide many other services which contribute greatly to the overall effectiveness of your marketing program. *See your PB man soon.*

Practical Builder • A Cahners Publication • 5 South Wabash Avenue, Chicago 3, Illinois



ATLANTA

—population now officially*

ONE MILLION

—continues growth beyond the

BILLION DOLLAR

retail sales bracket

1959 Retail Sales

for 5-county Metropolitan Atlanta

\$1,369,724,000 . . . up 4.8%

Gain over the previous year was \$62,841,000. Atlanta's consistent economic growth is further reflected by these important factors:

Effective Buying Income up	12.2%
Per Capita Income up	7.2%
Per Household Income up	6.1%

Sources: Sales Management Survey of Buying Power, July 10, 1960; Atlanta SMA population, Metropolitan Planning Commission estimate, as of 10/10/59. *U.S. Bureau of Census.

Now, more than ever, mass movement of goods in Atlanta and Georgia demands advertising in The Atlanta Journal and Constitution, the largest newspaper in the South.

462,993 daily • 511,131 Sunday

ABC Pub's. Statement, 3/31/60

The Atlanta Journal

Covers Dixie Like the Dew

THE ATLANTA CONSTITUTION

The South's Standard Newspaper

Represented by Kelly-Smith Co.

-SM

LETTERS TO THE EDITORS

'strident' selling—or emotional

A comment on "When You Can't Yell Back," from ye Editor's Side Pocket (SM, June 3) . . .

How can you sell anything without someone getting a little excited, a little emotional, or even a lot emotional over it?

Obviously the answer is in talent and technique. Commercial producers are growing with a relatively new industry. In my estimation, they are, as are the agencies from Mad Avenue to Hollywood Boulevard, doing a job that improves with time.

One of the most happy things you can say about a person is, "He's a good salesman." And even a good salesman is, occasionally, "strident," as you put it. You always sound a bit louder when your head is up and your voice is clear.

GENE WILKIN

Sales Manager
WPRO-TV
Providence, R. I.

confusion on FTC

In your June 3 issue you published an article on the subject of FTC attitude toward volume discounts. We note that a cost justification seems to have a general tenure of approval or, at least, is some justification for a discount.

Today we are in receipt of the FTC's Guide for Advertising Allowances, Payments and Services. Item 15 is a statement to the effect that it is no defense to plead a cost justification such as a savings in delivery. As this is somewhat in contradiction to your views in the June 3 article, I am wondering if perhaps we are misinterpreting some of the information.

A. F. RATHBUN

President
Fred W. Amend Co.
Evanston, Ill.

► There are two separate areas of FTC activity involved here. As we stated in the June 3 article, "Are Your Volume Discounts Illegal?" a cost justification can at times be a legal basis for volume discounts. On the other hand (see SM, June 17, "Co-op Advertising—Ignorance Is No Excuse") a cost justification is never a legal basis for the payment of an allowance or the furnishing of a service to certain customers but not to others. The difference here is that if a seller can prove that he does have lower costs in filling large-quantity orders, he may be justified in passing these savings on to the customer in the form of a volume discount. However, he legally may not pass such savings on to the

customer in the form of an advertising allowance or promotional service that is not offered on a proportionally equal basis to all competing customers.

The editors welcome comments or questions on FTC and trade practices.

no conflict intended

As a member of the staff of the Encyclopaedia Britannica, Western Zone, I certainly want to thank you for the wonderful coverage in the June 3 issue of SM ["How Britannica Sells One out of Three"].

One point, however, rather concerned me from the standpoint of placement or editing. The story started on page 107 and was continued on 108. The last paragraph on page 108 mentioned sales training films in use by Britannica. The coincidental ad for Bell & Howell on page 109 was most interesting with one exception: The ad boldly referred to "the world's largest direct sales force," with a visual and word reference to World Book Encyclopedia. They sell a competitive product, you know. . . .

LESTER BASHARA

Administrative Asst., Western Zone
Encyclopaedia Britannica
Beverly Hills, Cal.

► The editors are well aware of—and embarrassed by—the unfortunate positioning of the Bell & Howell ad with respect to the Britannica article. Our apology to both EB and our advertiser, Bell & Howell, which undoubtedly considers Britannica a good prospect, has not complained as yet.

run on 'sore thumbs'

The manager of our Industrial Sales Department has just handed me a clipping of the fine editorial on "Modern Marketing's Sorest Thumb," SM, June 3.

This is something he would like to distribute among his entire field sales force. May we have your permission to reproduce the article? . . .

A. J. GERARD

Advertising Manager
John Bean Division
Food, Machinery and Chemical Corp.
Lansing, Mich.

. . . very pertinent information and so well presented that we would like to reprint it for our sales force. . . .

RAYMOND R. REMALEY

Assistant Sales Promotion Mgr.
Commercial Products
Dixie Cup Div. of American Can Co.
Easton, Pa.



*covering all
those who count
in just
the Industrial-Large
Building field*

Face to face with the specialized audience you need! Your sales story in the pages of Heating, Piping & Air Conditioning has the best "direction" possible. It goes to the consulting mechanical engineers, the mechanical contractors, and the engineers with plants and large buildings who are actively involved with heating, piping and air conditioning services in just this field. No stretching of editorial coverage. No dilution of circulation. And each of these important-to-you-readers stands up to be counted. Each is paying for HPAC directly, individually, voluntarily. Provable circulation. These are among the reasons why HPAC year after year is the leader (by over 2 to 1) in advertising volume. Want more information?

Write KEENEY PUBLISHING Co., 6 N. Michigan, Chicago 2.

SUBURB POPULATIONS ZOOM

(Story in Column 5 Below)

Suburbs Set Pace In Population Race

Grew Six Times Faster

the Cities in 10 Years

Suburbs was from 36,182,440 to 33,233,047.

Suburbs Outstrip Growth Of Cities

WASHINGTON (AP)—Preliminary figures for 27 of the nation's largest metropolitan areas show that the suburbs have outstripped the cities in population growth in the last decade.

Population Loss of 1.8% Reported for This City

Minneapolis Loss Is Suburban Gain

Drop in Household Size Fuelled State Growth
The shift in the heart of the city population in

Report N. Suburb Census

SUBURBS UP and still growing FASTER!

You've read about the new Census Returns. Now . . .

follow the big shift to the suburbs

AMERICA IS GROWING FASTEST IN OUR RESIDENTIAL SUBURBS

(Census Bureau—1960 Preliminary Report)

Central Cities . . . UP 8.2%/Suburban Sections . . . UP 47.2%

The following fashionable residential suburbs typify the rip-roaring gains being made by Suburbia Today communities across the nation:

	1950	1960	UP		1950	1960	UP
Skokie (Ill.)	14,832	58,193	UP 295%	Santa Monica (Calif.)	71,595	82,845	UP 15%
Highland Park (Ill.)	16,808	25,440	UP 51.9%	Cuyahoga Falls (Ohio)	29,195	47,705	UP 63.5%
Mt. Holly (N.J.)	8,256	13,260	UP 60%	Montgomery (Ohio)	579	2,635	UP 335%
Babylon, L.I. (N.Y.)	45,556	142,339	UP 212%	Raytown (Mo.)	500	17,033	UP 3,306%
Gendale (Calif.)	95,705	110,330	UP 23.5%	Littleton (Colo.)	3,378	13,595	UP 302%

**Expect 150,000 Drop
in Chicago's Census**

Migration of Chicago
the suburbs

★ ★ ★ ★ ★
**Population
Down, City
Losing Cash**

The drop in pop-
ulation from 521,718 to 480,000
reported by the U.S. Census Bureau

**POPULATION DIP SEEN
FOR SAN FRANCISCO**

Reported by The New York Times
SAN FRANCISCO
Although California

**1960 Census
Indicates 3%
Loss in City**

7,650,000 Estimated
As Population Now

By Gene Glass
New York Times



with Suburbia Today

**The Colorgravure Magazine-Section Exclusively Serving
526 of America's Fastest Growing, Higher Income Suburbs!**

Population gains during the past ten years have been greater—by far—in the suburbs than the cities! And greatest of all in the higher income, swank suburban communities! This—from the U.S. Census Bureau—may have shocked a few city mayors, but it certainly comes as no surprise to advertisers of *Suburbia Today*!

As the only national monthly edited exclusively to the interests of prosperous suburban families, *Suburbia Today* has been an integral part of this phenomenal growth story.

It has grown into a vital, major marketing medium!

Census reports still to come are sure to strengthen *Suburbia Today's* unique position as a key to modern marketing planning. Its colorful, homey, magazine format puts your message where America's greatest growth is taking place—in the 526 "cream of the crop" suburbs whose rate of growth, rate of earning and rate of spending far outstrips the typical suburb!

Your products belong where families, and homes and business are on the upswing. Only *Suburbia Today* takes you there—with impact, regularity and proven reader response!

Home Delivered
by 212 Suburban
Newspapers to
1,388,513 Family
Readers in 526
"Growth"
Communities.



Suburbia Today

Leonard S. Davidow, Publisher
Patrick E. O'Rourke, Advertising Director
Ford King, National Advertising Manager
NEW YORK 22, N.Y.

CHICAGO 1,
CLEVELAND 15,
DETROIT 2,
LOS ANGELES 5,
SAN FRANCISCO 4.

Sales Management July 15, 1960 31



(Just a matter of Relativity)

- WBTB-CHARLOTTE IS FIRST TV MARKET IN ENTIRE SOUTHEAST WITH 596,600 TV HOMES*
- WBTB DELIVERS 43% MORE TELEVISION HOMES THAN CHARLOTTE STATION "B"***

*Television Magazine - May 1960

**NCS #3



JEFFERSON STANDARD BROADCASTING COMPANY

WBTB

CHANNEL 3  CHARLOTTE

Represented nationally by CBS Television Spot Sales

LET'S COMPARE MARKETS!

WBTB — CHARLOTTE	596,600
ATLANTA	576,300
MIAMI	510,800
MEMPHIS	486,800
LOUISVILLE	459,400
BIRMINGHAM	429,400
NEW ORLEANS	384,800
NASHVILLE	346,000
NORFOLK-PORTSMOUTH	341,500
RICHMOND	273,900

Drug Hearings Just a Start for . . .

The Man Who Would Manage Your Marketing!

By LAWRENCE M. HUGHES
Senior Editor



If you think Washington now cramps your style, try to imagine how you would make out under *Komplete Kefauver Kontrols*.

Steadily, step by step, industry by industry, for five years, the Senate Antitrust and Monopoly Subcommittee, of which Estes Kefauver is chairman, has been busy vitiating free enterprise in manufacturing by curbing its methods and rewards.

In every industry the Kefauver group would have Washington decide on the worth or desirability of your products, the prices at which you may sell them, and the extent to which you may promote them.

Indeed, Washington might prefer that you did not own your own patents, or even your own brands.

Washington might stipulate how much you could legally spend for product research, how much for selling and advertising, and how much profit (after all the other restraints!) you could make.

Under Kefauver Kontrols the only thing left to your company from the former free enterprise system would be the freedom to lose your shirt.

Thus far Kefauver & Ko. have concentrated on what he calls "the obvious decline in the vigor of price competition," in turn, on the steel, automobile and bread industries.

Since last fall, presidents and others of prescription (ethical) drug manufacturers have faced the 8-man subcommittee and the inquisitors, investigators and economists on its 35-member staff.

By mid-June, with the drug hearings about three-fourths completed, Kefauver was formally asking Congress for new laws to require licensing of all drug manufacturers and to empower the Food and Drug Adminis-



The Man Who Would Manage Your Marketing

(continued)

tration to check on the "usefulness, safety and purity" of all new drugs.

Previously, on the Senate floor, Kefauver had expressed his all-industry creed: "Instead of regulating interstate and foreign commerce, commerce has increasingly come to regulate us. To those who are content to let the economic decisions be made by the managers of our giant corporations — free from competition and public accountability—I cite the drug industry."

This, "among all industries, should show the greatest concern for the public interest, and yet appears to show the least."

Next, Kefauver may tackle building materials.

Whatever may be his stature as "public defender," the tall Tennessean today looms large as Public Enemy No. 1 of advertised brands. He strives to prove that sales and advertising are "monopolistic" weapons in the hands of big contenders, beating down their weaker rivals, and

maintaining prices that gouge the public.

When the motor makers took their turn on the hot seat in the old Senate Office Building, two years ago, the subcommittee's Democratic majority doubted whether "advertising contributed substantially to the further expansion of the market. . . . A price decrease of 10% would be feasible if annual expenditures of advertising [then at nearly \$100 a car] and design changes were reduced by \$600 million."

Today even in such a meteoric growth industry as prescription drugs — where new "miracles" may obsolete older ones far faster than the motor car replaced Dobbin a half-century ago, and where a strong and steady flow of "education" must accompany promotion—Kefauverites, if anything, are even more adamant against advertising.

However, Paul Rand Dixon, the subcommittee's counsel (the drug industry's prosecutor) and staff director,



tells SM: "We know the value of advertising to create an expanding market. But the prescription drug industry has both a limited and a captive market. No one buys medicine unless he needs it. And in prescriptions, the man who specifies

Washington Hot for Restrictive Laws

Those hardy souls who sat through the first 1.4 million words of the Senate's Antitrust and Monopoly Subcommittee, often heard the words: "There ought to be a law."

- Estimating that the ethical drug industry can be blamed for \$20 to \$30 million of the annual loss to the Government on carrying third-class mail, an Albany, N.Y., medical college professor would restrict the industry to "six mailings per addressee per year per company." He would also like the Government to investigate the "influence of drug companies and advertising agencies on medical journals."

- Senator Kefauver urged, among other things, that drug manufacturers be "required to prove effectiveness [by] clinical tests before their drugs can be marketed."

- The suggestion of one witness that the "natural monopoly" in drugs be regulated ("the way we regulate

public utilities.") was called by Dr. E. Gifford Upjohn of Upjohn Co. an "irresponsible statement. We would have to discontinue some of the service." And if drug patents were put in the public domain, he added, this would "completely destroy incentive for [private] research."

- On the confusion caused by the fact that one new drug appeared under six different brand names, Counsel Dixon said: "If there were one generic name [for all of them] the druggist would feel free to pick any one of the six." Each manufacturer, however, could put his own name on his version of the product.

- When drug manufacturers advertise direct to doctors, said a Consumers Union representative, "There is some question of the degree of authority of the FTC to compel honesty in their ads."

Instead of new laws and regulations, one doctor would expand the

standards and policing efforts of the FDA by doubling its funds. But another said the FDA's efforts are adequately financed: the Drug Administration alone gets \$18 million. To the FTC (with which he formerly worked) this would seem a "fantastic amount."

Summing up four days and hundreds of thousands of words devoted to "generic and trade names," Sen. Philip A. Hart (Dem., Mich.) emphasized that, whatever the labels, more should be done to "resolve the question of safety. . . . There really isn't any price tag on safety. . . . Many people think that the only way you can be safe is to rely on a manufacturer whose trade name you recognize."

However, there should still be "a public agency to insure the minimum: Has the FDA been given enough money? . . . And has it enough power under existing law, to give the answer?"



◀ **ADVERSARIES MEET**, look each other in the eye during Kefauver Subcommittee's drug price investigation. Dr. Austin Smith, left, president of the Pharmaceutical Manufacturers Association, accused Senate group of unfairly attacking the industry.



THUMBS UP on the drug industry. Unconscious gesture of John E. McKee (center), president of Chas. Pfizer & Co., lends a positive emphasis to his testimony as he tells Subcommittee about the very small profit taken on a new Pfizer product.

them does not pay for them, and the man who pays does not specify."

Increasingly, Dixon charges, the big drug makers see to it that the doctor orders, not by generic, but by trade or brand name. Individual drug makers, he says, spend millions in medical journals, mailings and sampling — just to doctors — and millions more for staffs of 600 to 1,000 detail men (salesmen) to hammer their brands home to the doctors.

"The \$600 million which this \$2.25-billion industry spends annually to get doctors to prescribe brands," he claims, "is enough to buy a new Cadillac, each year, for each of the 150,000 physicians in the country."

Against the prosecutors, the Kefauver-employed "defenders" of the drug industry have not had much chance. At least four-fifths of the "evidence" piled up by mid-May, in 30 volumes containing a total of 5,875 pages (including 445 "exhibits") of double-space typewritten transcript, supported Kefauver's contention that the larger ethical drug houses beat the smaller ones and the public this morning and every morning, noon and night.

The exhibits range from charts and tables, prepared by subcommittee staffers, to price lists and promotion material, and (such being the power of a Senate subpoena) to patent agreements and even private letters from company and association files.



PRESSING THE ATTACK is Paul Rand Dixon, chief counsel for Government.

Dr. John M. Blair, chief economist for the subcommittee, dramatized profit ratios of major drug manufacturers, after research, production, sales and other costs. He cited the "monopoly" held by 16 large manufacturers over 51 types of hormones, diabetic drugs, tranquilizers, vitamins and antibiotics. He sought to show how the big houses share their "miracles" with each other — but not with the 1,300 middle-size and smaller manufacturers in the ethical drug industry.

American Cyanamid (Lederle), for example, Blair said, "produces 100% of the U. S. output of sulfapyridine," but "sells none of it in dosage form."



BOTTLES OF DRUGS help Ciba President T.F.D. Haines explain his position.

All told, among 15 manufacturers, he found "14 instances where the company manufactures the drug but does not sell it directly." Narrowest ratio of products sold to those produced was reported for Merck and Pfizer — both 1 to 1.1/3. Widest was the 1 to 20 of Parke, Davis.

To the Senate, Kefauver offered evidence that it pays the advertiser to advertise: A \$10,000 investment in Smith Kline & French in late 1948 would have produced by December 1959 a net gain of "over \$230,000" — in addition to dividends totaling more than twice the original investment.

While the Kefauver charges make



The Man Who Would Manage Your Marketing

(continued)

front-page news and stir up editorials, the drug makers have had to buy advertising space, pay for booklets and employ other devices to get their defense across to the public.

Abbott Laboratories, for example, was "permitted" to run a page ad in *Life* to reply to a *Life* editorial on the alleged high prices of drugs. Smith Kline & French Laboratories reproduced in booklet form a recent talk before California pharmacists by its chairman, Francis Boyer.

In the Kefauver hearings, Boyer said, "There was much clamor about prices and little consideration of value." As a "specific bargain," Boyer mentioned that "\$15 worth of antibiotics, taken at home, will in most cases quickly clear up a mastoid infection which a few years ago might

have cost \$1,000 in hospitalization, surgery, nursing and prolonged convalescence."

He quoted from a Chicago Tribune editorial: "Everyone knows that many of the new drugs are not cheap. These days you can expect to pay as much to cure a girl of pneumonia as to take her to dinner and the theater." Boyer added that the "odds in favor of the girl's recovery are today 26 to 1, as against only 3 to 1 in 1939."

SK&F's chairman pointed out that, "If an amount equivalent to [the ethical drug industry's] net profit were eliminated from the price of the average prescription, the saving to the patient would actually be less than 2 cents a day."

Also, "As growth companies taking greater risks and focusing on long-

range goals, [the large drug houses] have . . . to make better than average profit." He questioned whether "there is anything wrong with good profits derived from the acceptance of risk, from . . . corporate efficiency and from skillful marketing."

Boyer admitted that "Our industry has sometimes overpromoted. But consider the results of underpromotion! . . . An article on a new therapeutic development is not published in a medical journal until somewhere between six and 18 months after its submission. If there were no pharmaceutical advertising, new life-saving drugs would be withheld from critically ill patients. . . ."

The Kefauver group's effort to "pressure" physicians into prescribing drugs by "non-specific generic designations—without identification by trade-mark," Boyer emphasized, "strikes directly at the basic foundations of our free enterprise structure. It denies incentive and reward to those who have achieved innovations by risking their own capital."

SK&F's chairman quotes the slogan of "our good competitor, Squibb [Olin Mathieson]: The priceless ingredient in every product is the honor and integrity of its maker."

Drug Industry a Growing Giant

Whatever the opinions of its promotional methods and pricing, everyone agrees that for 15 years ethical drugs has been a spectacular "growth" industry—and that it is still growing.

In this period, *The New York Times* shows, this industry's volume has quadrupled to \$2 billion.

Fortune figures the trend a bit differently: In two decades sales of the total drug industry have expanded nearly eight times to \$2.3 billion. The proprietary (non-prescription "family medicine") part of it rose from about \$150 million to \$600 million, while the ethical (prescription) part, composed of "wonder" and other drugs, multiplied from about \$150 million to \$1.7 billion. Of the last amount the postwar "wonders" now account for about \$800 million.

"New products," says the *Times*, "are a hallmark of a growth industry"—citing such latter-day "wonders" as antibiotics, antihistamines, synthetic hormones, amino acids, radioisotopes, tranquilizers, energetics, diuretics for heart disease, and polio and other antiviral vaccines.

Both publications report the industry's research and development expenditures for 1959 at around \$190 million—or more than twice the level of 1954. And some big factors (Parke, Davis and Pfizer, for examples) are spending \$18 to \$30 million annually for capital expansion. For each \$1 of new sales, the industry estimates it must spend \$1 for plants and equipment and R&D.

The *Times* denies the Kefauver subcommittee's "monopoly" implications: Among 1,370 pharmaceutical houses in the country, the largest in sales has only 7.8% of the total retail and hospital market, and the top 10 combine 53%.

But some of the big fellows steadily have increased their share. Fortune cites these sales gains in 12 years: Schering—710%; Pfizer—530%; Smith Kline & French—300%; G. D. Searle—280%; Merck—200%; Upjohn—175%; Parke, Davis—160%, and Eli Lilly and Abbott Laboratories both about 100%.

And in this period all except Pfizer, Lilly and Abbott lifted profits even faster than sales.

The big drug makers sell and promote intensively. Some of them employ 1,000 or more detail men to tell their product stories personally to physicians. The list of 100 largest national advertisers in space and time media for 1959—which does not cover the heavy expenditures for mailings and sampling in this industry—includes such "partly ethical" companies as American Home Products, Bristol-Myers, Sterling Drug, Warner-Lambert, Carter Products and American Cyanamid.

And such giant companies as Armour, Schenley, Olin Mathieson, Union Carbide, Atlas Powder and Hercules Powder also are active in ethical drugs.

Pharmaceutical Manufacturers Assn. boasts that in the last three decades new drugs have helped to add nearly ten years to the average American's life span. But the Kefauver committee suggests that the big drug companies, at least, have been much more effective at selling than at research.

In 1958, says Paul Rand Dixon, counsel and staff director of the investigation, selling costs of 20 of the largest ethical drug companies averaged 24% of dollar volume. This was nearly four times the 6.4% they averaged on research. Together they averaged 13.1% of sales in net profit.

Meanwhile, the American Academy of General Practice, representing doctors who write most of the prescriptions, has just reaffirmed its resolution of 1954: "Any action to discourage the use of trade names in prescription writing would tend to interfere with the growth of pharmaceutical research and progress in medical treatment."

And American Medical Assn. has just decided to undertake a year-long study of drug practices. The New York Times report of the AMA's Miami Beach meeting added that "Many physicians and representatives of the drug industry here believe that [the Kefauver subcommittee] has been unfair to the drug industry. [Its] inquiry has raised doubts in the public mind about the development, testing, approval, pricing and marketing of prescription drugs."

► Yet, Kefauver's hand-picked medicos still were making headlines with such statements as: Education that derives from "the detail man and promotional literature is completely biased—as any advertising is." In addition to becoming "biased," said another witness, doctors may become hopelessly confused by this "hydra-headed monster of terminology: There are as many as 35 names for one product." Doctors and druggists might have "3,000 names to learn in five years."

Cortisone, as sold by Merck, Schering and Upjohn, explains prosecutor Dixon, becomes Cortex, Cortate and Cortef. He urges the doctor either to prescribe the generic name, cortogen acetate, or simply to say Merck's cortisone, or Schering's cortisone.

"A lot of so-called progress in research," Dixon charges, "is simply molecule manipulation. And much of it isn't even that." He cites the example, mentioned by one medical witness, of a recent new form of penicillin which appeared simultaneously in "at least six different brand names and in five colors: pink, peach, green, and two shades of yellow." Each, Dixon says, was promoted separately, and "No effort was made to inform the physician . . . that they are otherwise identical."

SK&F's Boyer replies: "If it hadn't been for such 'molecular juggling,' . . . we would have stopped with cortisone in the rheumatic diseases, instead of advancing through hydrocortisone to prednisone and dexamethasone. To belittle such chemical achievements is a bit like calling Eve only a 'slight molecular modification of Adam.'"

At times Kefauver & Ko. imply
(continued on page 106)



TOUGH QUESTION causes Francis C. Brown (right), president of Schering Corp., to seek advice from attorney Irving H. Jurow during price hearing last winter.

On the Plus Side Of Ethical Drugs

Though Kefauver's inquisitors strive mightily to prove, among other things, that the big brand-name drug manufacturers have been beating sick Americans over the head, pricewise, for a long time, a bit of constructive evidence on this industry still creeps into the hearings.

- Prices of prescription drugs in today's inflated economy have not risen so rapidly as those of many other goods and services. The Bureau of Labor Statistics reported that in four years wholesale prices of all commodities rose an average 7.6%. In this period drugs and pharmaceuticals climbed only 0.6%.

- In the last two decades, when prices of all commodities soared 137.7%, drugs and pharmaceuticals moved ahead 80.3%. Drugs, in fact, increased

less than half as much as the average of all medical care items.

- Adjusted to the age of the nation's population in 1940, the National Office of Vital Statistics showed, the cumulative decline in the average mortality rate for all age groups, by five-year periods, totaled 35% between 1930-34 and 1955-58. In the postwar "miracle drug" era alone the cumulative mortality rate has fallen 25.2%.

- Pharmaceutical Manufacturers Assn. emphasized that this industry leaves no molecule unturned in its efforts to cure still more diseases: In 1958 "The industry tested about 115,000 substances. . . . Only about 1,900 substances reached the clinical testing stage. All of this resulted in the market introduction of from 20 to 30 really new drugs. And only a few of these will be real commercial successes."

THE 10 BIGGEST MISTAKES EXECUTIVES MAKE

Failure to Make Long-Range Plans

By DON H. SCOTT
Don Scott Associates

Jim has a plan. Arnold doesn't. Just for fun, let's see what advantages the plan gives Jim over Arnold.

For one thing, Jim's plan is the key to obtaining an objective. When Jim completed the plan he had a pretty good idea about whether the objective was attainable or not. If it had not been, the plan would have showed why. Inasmuch as fact gathering is part of planning, Jim learned when he gathered his facts what problems stood between him and his objective. Knowing the problems enabled him to describe activities in the plan which would overcome each of them. These activities, in effect, become minor objectives, any of which may well have had problems of its own. These minor objectives might be likened to stepping stones which lead to a chosen destination. Put them in the proper order, determine their timing, and there should be little trouble in getting where you are going.

Do you see already where Jim has a big advantage? Arnold may be struggling for an objective he hasn't a prayer of reaching. Allowing that he is trying to do something that is possible, he could be working twice as hard as necessary in order to do it. Go back to Jim. He knows exactly what must be done. He is now in a position to assign people to activities. He has the activities spelled out. He can be fully aware of the kind of people he wants to handle each of them. When he makes assignments, he can make them with assurance. He knows the relationships between jobs because their relative importance and complexities were all worked out in the plan.

► Now put yourself in the place of an employee working for either Jim or Arnold. When Jim assigns a job, he knows what it is and your individual objectives can be spelled out. You know what is expected of you and can measure your own success and failure. Your chances for advancement depend on your ability to get a job done and not on the subjective feelings of an individual. Good morale has a chance because there is nothing but yourself to stop it. Further, you know very well who is running the show because your boss, Jim, is the guy who devised the plan under which everyone is working. He is probably devising the next one right now and if you want to be in on that one, better get this job done.

Now go to work for Arnold. Nice fellow, but he doesn't know from one minute to the next what is going to happen; and worse, he never makes anything happen. He is completely at the mercy of conditions, situations,

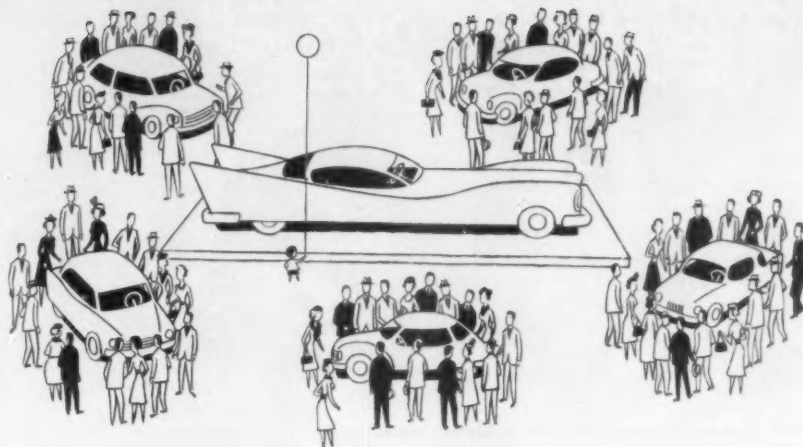
and the whims of those around him. No one knows who the boss really is because it's anyone's guess where you go from here. Because individual objectives are never spelled out, you can't measure your performance. Are you doing a good job or not? You don't know and neither does Arnold. Your measure of success is not based on your capabilities, but on your ability to get along with Arnold. Morale? There isn't much and it won't get any better. Monday morning comes awfully fast when you work under these conditions. Score another advantage for Jim.

Now, what about materials, supplies and equipment? Jim knows what he needs and when he needs it. He is operating at the lowest possible cost. Having a plan, he quite obviously didn't include unnecessary machinery and equipment, and what is around the place is there because it is needed for the job—not because it looked like a good thing to have around.

► Maybe you think managers never buy anything just because they want it around, or, because they got it cheap. I would be delighted to have the proceeds from an auction which sold the things I have seen around businesses just because they attracted a fancy. A large company closed one of its local subsidiaries about three years ago in Bridgeport, Conn., and put its machinery up for auction. All the Arnolds scrambled up there and grabbed everything they could. The local golf and bridge clubs echoed the good fortune of the bargain hunters for months. The outcome? Most of them can't give it away for hauling charges. I've seen tons of that machinery in more than one plant still in the spot where they dumped it two years ago. The Jims? They went up there, too. They looked at what was available and considered it in the light of equipment needs coming up (as spelled out in the plan). When they bought, they really saved money because they had a definite purpose in mind. One more point for Jim.

Speaking of materials, if you've never seen a job shut down because someone didn't plan for the necessary materials at the right time, then you've either been around excellent planners or you haven't been around at all.

But we haven't hit the really big advantage Jim has over Arnold. It can best be expressed by a true and recent story: Byron Roles is the owner of a distributorship for a large number of products in his industry. He started



from scratch except for brains. Because you don't need much more, Byron has built his distributorship to the biggest in his area.

Two years ago he started thinking about planning to an even greater degree than he had in the past because he had discovered something about planning that escapes most people: **Once objectives are set in a plan, they become real and possible.**

Byron called his managers, service men and salesmen together and unfolded a new objective: The company would double sales within a 2-year span. Each man's job now was to work out his individual contribution and submit it for incorporation into the plan. Where the contributions were unrealistic, Byron sat with each man until some reasonable (and conceivable) approach could be worked out. The salesmen, of course, were horrified. How in the world could they be expected to double sales in territories where they had been struggling for years just to maintain them? But when each sat down with Byron or his sales manager and went over the territory by customer and potential, it was easy to see that the business was there. Either more creative selling had to be done or competitive effort had to be increased.

The service people contributed by improving their equipment, training engineers and mechanics to perform faster and more efficiently, and extending their hours of availability. Service men were sent to manufacturers for training in handling new items. Important, too, was agreement by service personnel to back the sales department in every way they could. Management would provide every service it could as well as incentives. Management also imported a professional sales trainer to work with the salesmen. The credit department would work faster, more diplomatically, and keep up communications with the sales department.

► The program was launched with a big party. Wives were invited and were caught up with the spirit of the effort. The plan was put into action. The first salesmen reached the double mark less than eight months later. Soon others got there. Some haven't reached it but all are way up over previous periods — and still going. When Byron's suppliers realized there was a possibility that the objective was plausible they jumped on the band wagon and helped in every way they could. I talked with some who told me sales in certain items had tripled.

Of course, while all this was going on, Byron's friends

and associates stood by thinking he had lost his mind. Now they are wondering by what magic such an accomplishment was brought about. They think he "knew something." He did. He knew that a great deal of what it took to get something done was in deciding in advance what should be done. Once this was settled, the plan would show how. Incidentally, Byron's planning ability and background for the achievement was no greater than that of most small businessmen. The only thing he had that was greater was supreme confidence that he could do almost anything he started out to do and that making a plan cost nothing except a little of his time. He also knew that if his objective was impractical, the plan would show it and nothing would be lost in trying to achieve the impossible.

A common question is, "How far in advance should a manager plan?" Most well-administered companies plan at least five years in advance. It might even appear that the present year is already completely decided. And, unless some national catastrophe occurs, it is. Everyone knows his goals and that he will be measured by how close he comes to them. This is the first step in co-ordination of effort. Certainly everyone knows that co-ordinated effort is not only more effective but far less costly.

► Here's the shocking truth. Very few smaller companies (\$10-million annual gross and under) have such plans. We get this comment quite often, "Hell! we don't even know what we did last year, let alone next year." Do you wonder why there are so many small-business failures?

As to big business, it would be impossible to stay big or get big without planning ahead. To manipulate a billion dollars in assets without advance planning would be utter chaos. For this reason one must wonder about the manager who says, "We got where we are without planning so we don't need it." I have drawn a broad distinction between ten million and a billion, but where is the line between what "cottage management" can control and what scientific management must control?

Let's look at it this way: Why draw the line? The cottage management system (the expression "cottage management" started when the whole business was under one roof in one room) is on its way out. Years ago it was necessary because there wasn't too much understanding of the basic fundamentals or the "science" of management. Today there is no need for any manager

to operate "by guess and by gosh." If he is trying to run a business without the necessary knowledge of the basics, he simply isn't competitive. His days are numbered.

Now, it may appear that most of the above applies only to the man who is running the business, or the man at the top. Not so. Every manager must plan for performance which is to take place. The intermediate manager may not be able to plan as far in advance as the manager who is at the top, but he can plan every activity in his section and can plan it in accordance with company policies and procedures. This makes him more than just a liaison man between his personnel and the top. Further,

if he is under a manager who does not plan in advance, there is some chance he might be a factor in implanting the idea in his boss' head.

Here are some ideas that should help you in planning:

Whereas it is said that all planning starts with an objective, remember, too, that all objectives are part of some plan. For instance, if your objective is **increased sales**, this is merely a part of the company plan to **make money**. The objective of making money is part of a plan to **run a business** or vice versa, etc. This is important because whatever it is that you are part of must be considered when you start the planning action. You plan to achieve an ob-

jective that is part of some other plan.

Your plan, in turn, will be made up of other minor objectives, some of which may provide others with the need for planning. For the mechanics of planning, just ask yourself the age-old questions: **In order to accomplish the objective . . .**

1. **What action is necessary?**
2. **Why must this action be taken?**
The answer to this question should be your objective. You merely ask this question to make sure you do not include unnecessary actions.
3. **Who will take this action?** Or, who is responsible?
4. **Where will this action be taken?**
Include here all the physical facilities necessary for the accomplishing of the action.
5. **When will this action take place?**
Timing is decided here. Quite often actions can be taken concurrently for speedier accomplishment.

6. **How will the action be taken?**
It is most important that this question be asked last. If the first five questions have been answered completely, the answer to this one is already obvious. If there is any part of an action that needs further spelling out, it will come here. Fully answering "How" ensures thoroughness.

► For instance, if your objective is to open a new office, the first action in your plan might well be to select a location. When you have answered the next four questions and you get to the "How," you might decide to select the location by going to real estate people. In this case, "going to real estate people" would become another "What" and will be subjected again to the questioning process.

Notice that if you have delegated an action in the "Who" part of the questioning, the "How" becomes his problem and you may consider that your part in completing that action is finished. This, of course, does not relieve you of responsibility for the plan or any part of it.

Another important part of planning is your realization that all actions in the plan must be subjected to the control process to assure their being carried out. You must provide in the plan some measure of the actions that will take place. Control can never be expected to be better than the standards that are described in the plan. One good test of the completed plan is: Could someone else take it over and operate it to completion without any explanation from you?

Remember: **Planning is the basis for all business action.** ♦

'The 10 Biggest Mistakes' Now Available in Booklet Form

This series has been a tremendous hit with managements of companies, great and small, in all fields of business. Our Readers' Service Bureau has been hard at work trying to keep up with the demand for reprints since the first article appeared in the March 4 issue of *Sales Management*. These reprints of individual articles are going fast, though a limited number is still available.

In anticipation of even greater demand for the complete series, now that #10 appears in this issue, *Sales Management* is publishing the entire "10 Mistakes" in a 28-page booklet. The price: \$2.00 each. Orders may be placed now.

As a refresher, these are the titles of each "Mistake" in the series:

- #1 **Building the Organization 'Around' People**
- #2 **Letting the Grapevine Take Over**
- #3 **Seeing People, Not Objectives**
- #4 **Trying to Operate Without Routines**
- #5 **Hoarding Authority and Responsibility**
- #6 **Ignoring the Human Factor in Pay Plans**
- #7 **Failure to Develop People**
- #8 **Keeping the Staff in the Dark**
- #9 **Hiring or Keeping the Wrong People**
- #10 **Failure to Make Long-Range Plans**

For copies write: Readers' Service Bureau, Sales Management, 630 Third Ave., New York 17, N.Y.

Sparkler!



BRIGHTEST FIRST HALF IN POST HISTORY!

SPARKLING GAIN OF 128 AD PAGES OVER FIRST HALF '59!

AD REVENUE SKYROCKETED TO ALL-TIME HIGH—\$56,200,000!

GLITTERING GAIN OF \$9,400,000 OVER SAME PERIOD LAST YEAR!

AD-PAGE GAINS EACH MONTH FOR FIVE MONTHS!

REVENUE GAINS EACH MONTH FOR SIX MONTHS!
THAT'S VITALITY!

More and more advertisers pick the Post because the Post sells merchandise! Ask Sylvania. Ask Chun King. Ask Scott Paper. Ask Smith-Corona. Ask Cluett, Peabody.

Publisher's Estimate

A CURTIS MAGAZINE
The Saturday Evening
POST
THE INFLUENTIALS MAGAZINE

more
readers
in
the
booming
blooming
suburbs...



The suburbs account for the biggest share of Delaware Valley's sales . . . 71% of the automotive, 76% of the lumber and building supplies, 65% of the food store sales. And it's in the busy-buying suburbs that The Daily Inquirer reaches 30% more adult readers than the major evening newspaper!*

*Source: "Philadelphia Newspaper Analysis" by Sindlinger & Company Inc.
Highlights available on request.

So, if you want to *sell* more where they're buying more—put your advertising in The Inquirer!

The Philadelphia Inquirer

NEW YORK
ROBERT T. DEVLIN, JR.
342 Madison Ave.
Murray Hill 2-5838

CHICAGO
EDWARD J. LYNCH
20 N. Wacker Drive
Anderson 3-6270

DETROIT
RICHARD I. KRUG
Penobscot Bldg.
Woodward 5-7260

SAN FRANCISCO
FITZPATRICK
ASSOCIATES
155 Montgomery St.
Garfield 1-7945

LOS ANGELES
FITZPATRICK ASSOCIATES
3460 Wilshire Boulevard
Dunkirk 5-3557

547

New Advertisers Go National

Those spending over \$25,000 in magazines, newspapers or network television last year took the initial plunge for an average expenditure of \$76,000-plus.

Since the great rash of new advertisers following the last war, the competition for the consumer's dollar continues merrier every year as new advertisers coming into consumer media outnumber the drop-outs.

Last year, according to figures compiled for Sales Management by leading consumer media associations, 547 advertisers spending \$25,000 or more were either brand new in magazines, newspapers or network television, or had never spent as much as that in any of the preceding ten years.

Magazines led in new advertisers with 277, according to the compilation made by the Magazine Advertising Bureau. They invested \$14,848,685 in the medium, for an average of about \$54,000.

An impressive 223 new general advertisers in newspapers, according to the Bureau of Advertising ANPA (American Newspaper Publishers Assn.) analysis of Media Records, Inc., expenditure figures, spent \$15,636,166 for an average of approximately \$70,000.

New \$25,000-or-more advertisers in network television, according to the report of Television Bureau of Advertising, were 47 in number and their investment of \$11,268,269 works out to an average of roughly \$240,000.

The 547 new advertisers in the three fields invested

\$41,753,120, or an average initial trial of slightly over \$76,000.

Magazines, newspapers and network TV ran neck and neck in attracting new advertisers in the \$100,000-and-up class, and magazines and newspapers were tied in the \$50,000-and-up group:

	Mags.	Newsp.	Net. TV
Advertisers—\$100,000 or more	27	27	25
Advertisers—\$50,000-99,999	48	48	9
Advertisers—\$25,000-49,999	202	148	13

Each medium finds reasons for enthusiasm in its lists of new starters. "Moon" Mullen, director of MAB, points with pride to the wide range of products and product classifications (15) in the magazine list. Leo Bogard, vice president, Marketing Planning and Research, Bureau of Advertising ANPA, believes that newspapers attract more new companies or companies new to advertising. Norman E. Cash, president of Television Bureau of Advertising, is proud of the fact that his list explodes the myth that his medium is only for the advertiser with a huge budget.

The following tabulated lists are confined to advertisers using \$50,000 or more in any of the three media, but

MAGAZINES

Alco Products, Inc.	\$ 50,402
American Agricultural Chemical Co.	75,777
American Laundry Machinery Co.	108,610
American Sisalkraft Corp.	51,619
Barley and Malt Institute	434,500
Berman, Bud, Sportswear, Inc.	74,123
Bourbon Institute	302,720
Bureau of Engraving, Inc.	82,806
Cadillac Publishing Co.	75,819
Candy Gram, Inc.	115,044
Claussner Hosiery Co.	55,650
Clupak, Inc.	53,868
Collins Radio Co.	67,037
Connecticut Mutual Life Insurance Co.	170,225
Continental Casualty Co.	164,418
Douwes Egberts Royal Factories	50,374
Edmund Scientific Co.	135,167

Embassy Pictures Co.	90,829
Farmers Insurance Group	158,990
Gates Rubber Co.	56,420
General Baking Co.	68,449
General Insurance Co. of America	142,991
Germanic Auto Distributors, Inc.	51,305
Ginden Nursey Co.	72,819
Glasspar Co.	51,481
Golden Valley Land Co.	59,931
Goldmark, Adolph, & Sons Corp.	138,138
Hoffman Motor Car Co., Inc.	67,342
Jerrold Electronics Corp.	51,360
Land O'Lakes Creameries, Inc.	187,341
Laros, Inc.	54,515
Leslie Salt Co.	152,040
Lucky Lager Brewing Co.	53,315
MJB Co.	177,175
Macklanburg, Duncan Co.	122,181
Magnus Organ Corp.	257,427

New National Advertisers (cont.)

there are many interesting names in the \$25,000-49,999 group. Here are samples.

Magazines: Atlantic Coast Line Railroad Co., Leo Burnett, Inc., Butcher Polish Co., Controls Co. of America, DaLite Screen Co., Fuller Brush Co., S. S. Kresge Co., Metropolitan Museum of Art, Servo Corp. of America.

Newspapers: Airguide Instrument Co.; American Snuff Co.; Clark Equipment Co.; Fairbanks Whitney Corp.; C. F. Hathaway Co.; Horlicks Corp.; Lane Bryant, Inc.; Owens Yacht Co.; Unexcelled Chemical Corp.

Network TV: American Agricultural Chemical Co.; Botany Industries, Inc.; Chicago Printed String Co.; Magnus Organ Corp.; McGregor Doniger, Inc.; United Air Lines, Inc.

NETWORK TV

Allied Van Lines, Inc.	\$ 235,587
Berkshire Knitting Mills	172,737
Boyer International Labs, Inc.	181,599
Clark, J. R., Co.	64,554
Colorforms, Inc.	116,000
Coty, Inc.	126,530
Diamond National Corp.	54,028
Disney, Walt, Productions	104,157
Drug Research Corp.	2,453,349
Dusharme Products, Inc.	100,250

NEWSPAPERS

Aloha Airlines, Inc.	\$ 53,916
American Enka Corp.	50,977
American Homeowner Insurance Co.	60,738
Association of American Railroads	679,053
Atlantic City, N.J. (Chamber of Commerce)	70,547
Automobile Club of Southern Cal.	87,812
Belmont Laboratories Co., Inc.	50,433
Bernz, Otto, Co., Inc.	50,368
Blair Labs	249,568
Blue Cross Hospital Service, Indianapolis & Mutual Medical Insurance, Inc.	84,183
Bonten Molding Co.	50,150
Buhle Up Corp.	60,422
California State Dept. of Agriculture	
Wine Promotion	286,625
Carter, The William, Co.	127,560
Catholic Knights of St. George	54,076
Chicago American Publishing Co.	81,755
Chicago Printed String Co.	94,706
Communications Workers of America	66,147

Consumer Laboratories	107,547
Coupon Magazine, Inc.	50,953
Cuban Tourist Commission	149,497
Davol Rubber Co.	90,123
Daystrom, Inc.	208,314
Drexel Furniture Co.	103,750
Dynamics Corp. of America	141,636
Embassy Pictures Corp.	77,066
Ethyl Corp.	79,217
Famous Artists School, Inc.	219,409
Fireman's Fund Insurance Co.	113,704
Gancia Products Import Corp.	53,635
Greek Line, Inc.	97,660
Green, Daniel, Co.	57,000
Group Hospital Service Inc. & Group Medical & Surgical Service (Dallas)	52,080
Grove Press	65,359
Hammond, C. S., & Co.	118,862
Harrison Tackle Co.	76,463
Hawaiian Airline	62,730
Hixson & Co., Inc.	83,538

Milani, Louis, Foods, Inc.	74,217
Miller International Co.	114,600
Minnesota & Ontario Paper Co.	79,800
Montalidos, Inc.	64,104
Mutual Buying Syndicate, Inc.	57,897
National Book Club, Inc.	64,505
National Lumber Manufacturers Assn.	362,254
National Van Lines, Inc.	64,920
Nationwide Insurance Co.	297,947
Northwest Schools, Inc.	162,158
Orange Crush Co.	79,000

Pacific Area Travel Assn.	87,443
Pacific Mutual Life Insurance Co.	110,158
Pam Industries, Inc.	88,920
Peavey, F. H., & Co.	133,563
Pfister Associated Growers, Inc.	53,471
Puritron Corp.	72,406
Rice Industry Assn.	75,700
Robins, A. H., Co., Inc.	230,296
Rogers, Allen G., Co., Ltd.	121,271

Royal Globe Insurance Group	144,645
Salton Mfg. Co., Inc.	63,902
Schuckl & Co., Inc.	50,248
Sno-Bol Corp.	57,247
Sony Corp.	87,675
Star Hill Distilling Co.	55,399
Steel Service Center Institute, Inc.	73,205
Stevens, Eugene, Inc.	67,448
Stouffer Corp.	60,395
Syntex Chemical Co., Inc.	194,006
Taft Broadcasting Co.	80,170
Texas Eastern Transmission Corp.	197,314
Tokyo Shibaura Electric Co., Ltd.	111,325
Transitron Electronic Corp.	70,602

United Advertising Fund of Battle Creek	50,830
Vi Jan Labs, Inc.	54,018
Vogarell Products Co.	68,325
White House Co.	97,000
Yashica, Inc.	66,675

E. Roosevelt Inst. for Cancer Research	114,735
Equitable Life Assur. Soc. of the U.S.	1,349,817
Gaylord Products, Inc.	99,060
General Aniline & Film Corp.	598,978
Hickok Mfg. Co., Inc.	133,850
Kaysen-Roth Corp.	645,821
Kleinert, I. B., Rubber Co.	511,742
Lanvin Parfums, Inc.	72,108
Lincoln National Life Ins. Co.	73,176
Maremont Automotive Products, Inc.	170,924
Massey Ferguson, Ltd.	1,789,730
North American Van Lines	169,220

Old London Foods, Inc.	123,820
Palm Beach Co.	151,818
Shattuck, Frank G., Co.	170,233
Sinclair Oil Corp.	127,050
Sterling Silversmiths Guild of Amer.	131,182
Syntex Chemical Co., Inc.	73,588
Travelers Insurance Co.	65,750
U. S. Brewers Foundation, Inc.	311,325
Wagner, E. R., Mfg. Co., Inc.	55,615
Ward Baking Co.	111,470
Watchmakers of Switzerland	113,085
Wyler & Co.	52,000

Hospital Service Corp., Chicago & Illinois	
Medical Service	124,988
Houston Corp., The	78,157
Illuminating Co. of Cleveland	132,918
International Ladies' Garment Workers	
Union AFL-CIO	214,949
Jacksonville Gas Corp.	55,333
Japan Airlines Co., Ltd.	69,731
Kaysen-Roth Corp.	63,131
Kimberg Product Research Corp.	56,948
Klopman Mills	68,341
Magnus Organ Corp.	52,986
Maier Brewing Co.	71,506
Mercury Record Corp.	106,702
Moral Rearmament	201,990
Myers Foods, Inc.	68,054
O'Donnell-Usen Fisheries Corp.	63,614
O'Brien Corp., The	115,117
Pam Industries	251,006
Pax Co.	58,003
Pennsalt Chemical Corp.	58,327

Peoples Gas System (Tampa)	56,206
Plumrose, Inc.	50,744
Pre-Seeded Products, Inc.	104,416
Princeton Tire Co.	53,258
Raeford Worsted Corp.	68,570
Red L Foods Corp.	67,481
Riegel Textile Corp.	153,766
Society of the Plastic Industry, Inc.	328,496
Sofskin, Inc.	64,192
Steel Companies Coordinating Committee	2,405,469
Sue Brett Inc.	69,195
Thompson Medical Co., The	78,816
Thompson Ramo Wooldridge, Inc.	71,117
Trappist Monks' Abbey of the Genesee	57,561
United States Navigation Co., Inc.	110,861
United States Overseas Airline	150,031
Viobin Corp.	53,125
Waste King Corp.	94,616
Western Printing & Lithographing	106,702
World Educational Service	251,272

GREATEST CUSTOMER READERSHIP PER DOLLAR

Tidewater Virginia Development Council asked its customers and prospects what they read. Business Week was mentioned more often than any other publication.

A McGraw-Hill Magazine



You advertise in Business Week when you want to influence management men

No one can tell you more about the reading habits of your customers than your customers themselves. This is why the Tidewater Virginia Development Council — a non-government organization promoting industrial development in Virginia's Tidewater Region—asked its own customers and prospects what they read.

The Council, in 1958, mailed questionnaires on its own letterhead to its entire customer and prospect list — 9,570 individuals in all. The principal question was:

“What publications of all types do you read regularly?”

1,206 persons replied. Their readership of general, general-business, and news publications is shown at right.

In total mentions, Business Week outranked all other publications — clear evidence of its superior acceptance among the executives who make major business decisions. And Business Week offered TVDC the greatest customer readership per dollar. (*See Rate per Mention in table at right.*)

30 STUDIES IN 5 YEARS DEMONSTRATE BUSINESS WEEK'S ADVERTISING EFFICIENCY

The Tidewater Virginia Development Council was just one of 30 organizations that conducted readership studies, in cooperation with Business Week, in the past 5 years. The 30 studies, summarized at right, covered 149,000 vital people in business and industry—advertisers' identified customers and prospects. (Details are available.)

Singly or together, these studies offer you an important indication of the reading habits of people who buy in business — your customers, your competitors' customers. Here, too, is evidence of the efficiency with which advertising can talk to them:

... in the pages of Business Week.

BUSINESS
WEEK

TVDC

448

Rate per
Month*

7.95

10.40

72.35

27.77

15.00

95.22

23.81

145.55

40.81

30.37

Page Rate

17.10

22.20

89.30

10.15

1.40

74.40

5.34

50.20

7.10

4.07

The Ten Most Frequently Read General, General-Business & News Publications • Question: "What publications of all types do you read regularly?"

The Ten Most Frequently Read General, General-Business & News Publications • Question: "What publications of all types do you read regularly?"

BUSINESS
WEEK

30

9,190

7,558

8,275

7,320

6,145

4,841

4,823

4,347

4,305

1,854

Rate per
Month*

\$3.20

1.95

2.40

3.42

5.90

2.21

1.05

1.65

1.39

2.75

Page Rate

17.10

22.20

89.30

10.15

1.40

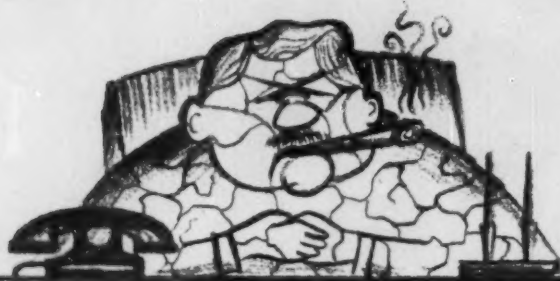
74.40

5.34

50.20

7.10

4.07



Send Us Your Stone Walls...

"Mass-produced sportswear is perhaps the most complicated phase of today's world of fashion." So says Joseph S. Lasoff, director of advertising and sales promotion for College-Town of Boston. He ought to know. College-Town makes sportswear, co-ordinates and separates, to use the various trade connotations. The once-upon-a-time skirt designer, for instance, now works with multiple sales in mind.

And College-Town, which has a sales force of 20 men scattered around the country, is in a violently competitive field. Buyers for shops that sell women's sportswear are about as hard to see as Nikita Khrushchev. (To put it bluntly, many play favorites.)

► Some months ago College-Town's Mr. Lasoff decided to crash the chiffon curtain, behind which the specialty shop buyer presumably sits. Each of College-Town's salesmen had a list of accounts he'd like to land; but that chiffon curtain kept slamming down. Lasoff's plan, "Operation Target," was a step-by-step campaign utilizing all of the company's advertising and promotional components, with one goal in mind: get the salesman into that office.

Step One was easy: He sent out a letter to each regional salesman, asking: "Who are the Stone Walls in your territory? Are there five select accounts in your area that you would like to sell if you could?"

"Perhaps," the letter added, "these stores are committed to another house and don't see any reason to change. Perhaps they've had an unpleasant experience in the past . . . perhaps they have a mistaken conception of your line, your price, your quality, of what your merchandise can do for them. Whatever the reason, something is holding them back from giving you the first 'in' that might break down resistance. The 'deaf ear' is what we're interested in — the buyer who won't even listen to your story."

Lasoff asked his salesmen to:

1. Send College-Town a list of five accounts that can't be sold.
2. Include the name of the buyer, the merchandise manager, the store advertising manager and fashion coordinator and the department head who has to be sold.

Said Lasoff: "Immediately afterwards we'll send out our first mailing to these accounts — a portfolio of the current line with reprints of ads, swatches of fabrics, style checklists, mat proofs and all other pre-sell material. These will alert the buyer to what we have to offer.

"Following the portfolio, a planned series of consistent, hard-hitting, attention-getting mailings will be made. All will refer to you as liaison, all will be aimed at getting the nod from the buyer to see your line.

"We're willing to try," concluded the letter. "Are you?"

Every one of College-Town's salesmen sent in a list of their "Stone Walls."

► And then the operation began in earnest. Four separate mailings, spaced from eight to 12 days apart, went out to the buyers. Each mailing had its own theme; and the four, taken as a whole, tied up into a neat promotional package.

What happened? More than 80% of the Stone Walls tumbled.

Briefly, the four letters that turned the trick went like this:

1. The introductory letter. We have a new line . . . here it is . . . this is what it consists of. (The salesman's name was prominent in the mailing.)

2. The second mailing informed

What are you doing about the stone walls among your prospects? They can be breached.

the buyer of New York reaction to the new line. Here the theme was Buying Office acceptability (very important to any buyer in the hinterlands).

3. The third mailing highlighted store and consumer acceptance. It featured newspaper advertising on local levels. Included: reprints from ads run by key stores throughout the country; a table of sales results, showing how the ads had pulled and the extent of re-orders.

4. The fourth mailing gave the target buyer the opportunity to see a preview of a new and upcoming promotion, to let her in on the ground floor at a time when she was between seasons and needed something new.

► At the time all this was happening, College-Town was blasting away with a series of ads in the daily fashion press, to make certain the buyer's mail reading was being augmented by the same story in the publications he or she considers "must" reading.

By the time the fourth mailing was completed, 106 of the 130 accounts on the target list had sent in orders or requests to have the salesman call. That's an 81% return on a basic direct mail campaign. (Small wonder that the "Stone Walls" campaign was selected for top award by Sales Management's Sales Letter Round Table.)

But getting the orders didn't end Operation Target. "It was only the beginning," says Lasoff. "The entire purpose of the program was to show these buyers the advantage of working with our company."

So, next, College-Town's IBM punch card system came into play. Every target account was given a special identification and the orders were appropriately stamped. Each department was alerted — order processing, picking, packing and shipping. At the same time individual salesmen kept in constant touch with buyers.

College-Town doesn't want to see those Stone Walls re-erected! ♦

Let's face the facts about selling the OEM market

Engineers—the men who design a production-run product and have top responsibility for its performance—are the primary influences in selecting components and materials for the Original Equipment Market. This is their job—and it pays you to let them know what your product can do for them.

Suppose engineers become interested in your product. Then what happens? They may buy a limited quantity for testing and trial runs. If the product meets specifications, they can recommend it for the Approved Supplier List. But in many cases they will specify "X Brand, or Equal." Yours may be

"X Brand." It may be "Or Equal." Or the engineer may not specify *any brand at all!*

When the product is ready to go into volume production, the requisition for the number of units to be purchased goes to the Purchasing Department, which has the list of approved sources of supply for this product. You are on the list. So are some of your competitors. It's up to the purchasing agent to decide which company to buy from, or how to divide the business between two or more approved sources.

This is a critical point of the sale. Your company doesn't meet its payroll on test runs or trial orders. You meet your payroll on production business.

Purchasing agents are the primary influence in the selection of *actual suppliers* of approved products. This is their job. They *must* buy from reliable sources. So it pays to let them know that your company puts out a superior product and stands behind it—in research, production facilities, performance, service. For this we recommend the magazine purchasing agents have depended on for 45 years—their own methods and news source—PURCHASING Magazine.

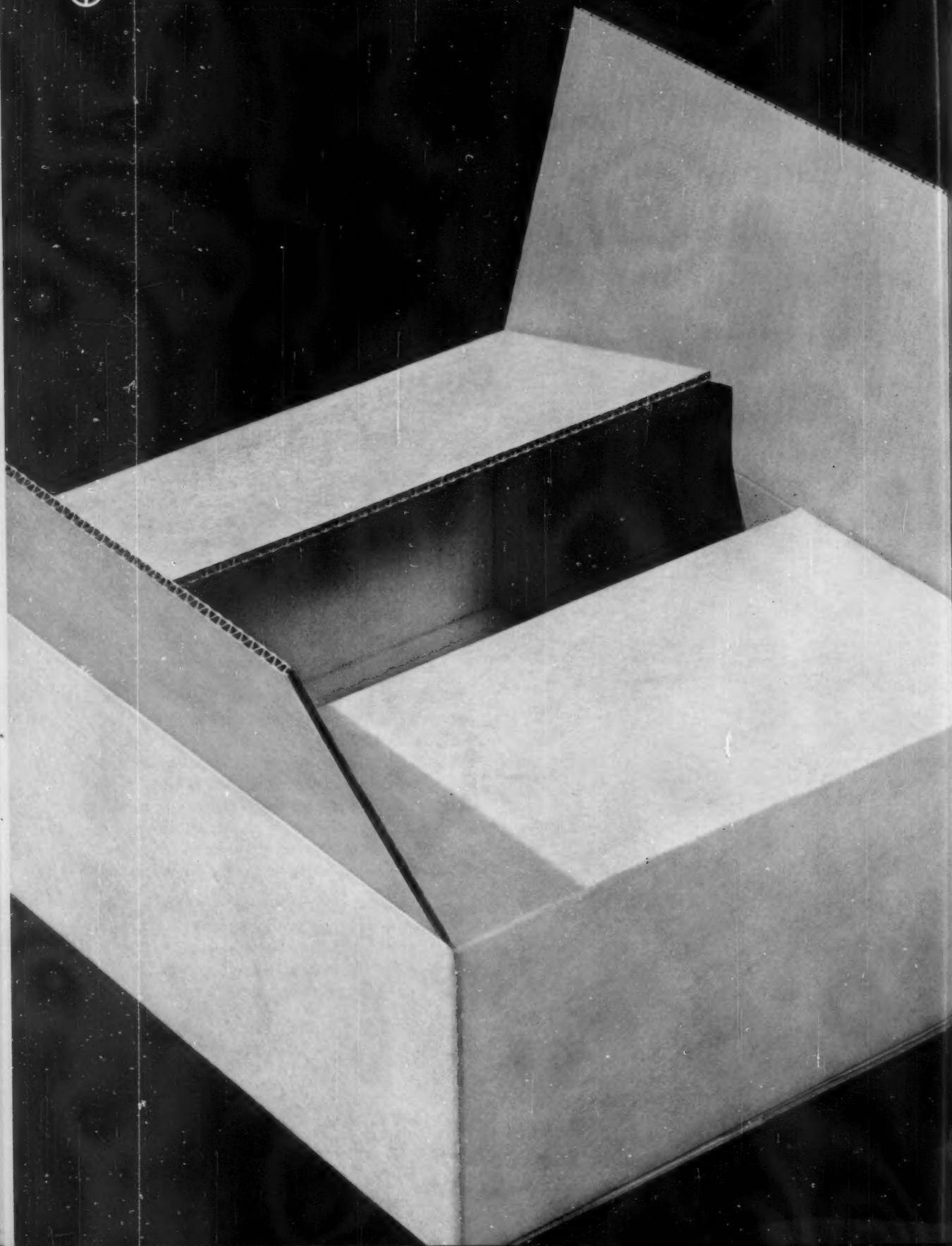
To sell the OEM market, be sure you are making *both* sales: engineering for product approval; purchasing agents for your share of the business. To do this keep your advertising to engineers and to purchasing agents in balance.

PURCHASING MAGAZINE

205 East 42nd Street, New York 17, N. Y.
a Conover-Mast publication

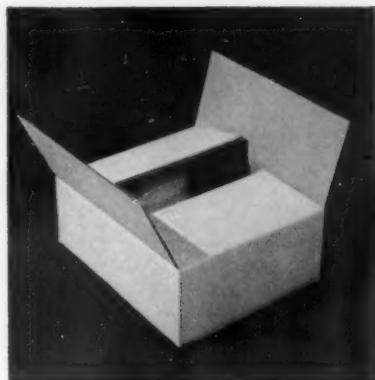
NOTE: Our representatives are prepared to show you objective research material on how industry buys and how industrial purchasing agents read and rate industrial publications.

 **INTERNATIONAL PAPER** — The Ultimate Source



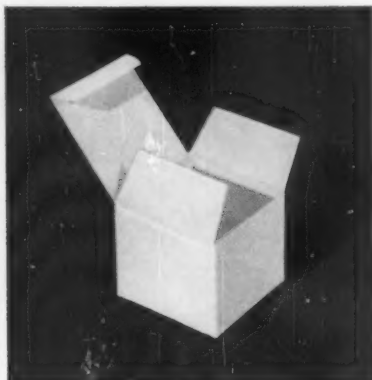
The International Paper Guide to Packaging—1960

(From International Paper's 16 mills and research centers come these pace-setting packaging developments)



1. GOLDKRAFT® LINERBOARD. Amazing new corrugating liner with a second color built right in. Made of rugged Gator-Hide® kraft. New Goldkraft saves manufacturers the cost and time of an extra over-all color printing.

•T.M.



2. IPX® BOARD. Now a truly outstanding printing surface and a fresh, light interior are combined in an economical packaging board. Made from fine bleached sulphate pulps and inexpensive groundwood pulps.

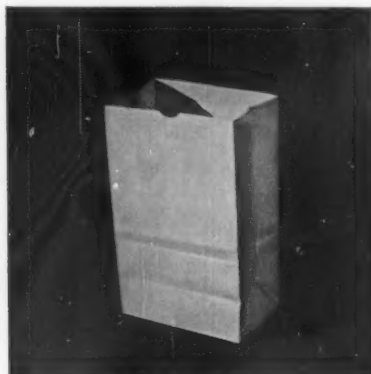
•T.M.



3. MULTIWALL BAGS. Hy-poly kraft set new standards in moisture protection. Extensive tests (90% relative humidity at 100° F. for two weeks) proved this. Hy-poly saves money over medium and low-density poly-coated bags.



4. INDUSTRIAL PAPERS. The latest addition to our complete line of strong papers is amazing bleached Gator-Hide Extensible Kraft. Provides built-in stretch for extra strength. Ideal for multiwall bags and many other uses.



5. PAPER BAGS. In 1960, International Paper offers a full range of paper bags. Grocery, bakery, shopping, and scores of specialty bags. All made of strong Gator-Hide—the world's most widely used kraft paper.



6. MILK CONTAINERS. Pure-Pak® containers are still another example of International Paper's ability to offer the widest range of packaging papers, boards and assistance in the industry. Call us for all your packaging needs.

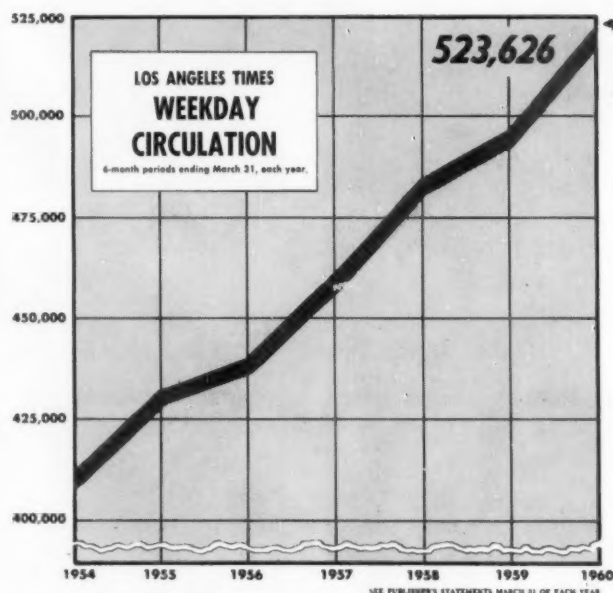
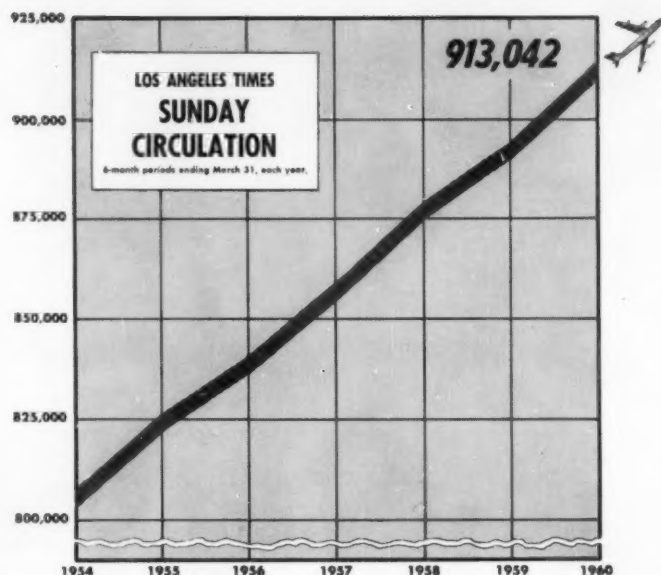
©Ex-Cell-O Corp.



INTERNATIONAL PAPER New York 17, N. Y.

Manufacturers of papers for magazines, books and newspapers • papers for home and office use • converting papers • papers and paperboards for packaging • shipping containers • folding cartons • milk containers • multiwall bags • grocery and specialty bags and sacks • pulps for industry • lumber, plywood and other building materials

**AWAY
UP THERE
AND
CLIMBING
FAST!**



The news has just been released officially—the circulation of the Los Angeles Times is now at the highest point in its history—higher by far than the circulation of any other newspaper in western America.

For the six-month period ending March 31, 1960, The Times reached an average of 523,626 families every weekday—a gain of more than 25,000 over the same period a year ago. Sunday circulation surged past the 913,000 mark—up significantly over the record high mark set last year.

These new circulation achievements put The Times far ahead of all other Los Angeles newspapers—148,850 copies ahead of the second newspaper every weekday—219,879 copies ahead every Sunday.

Growing circulation reflects growing acceptance. Times circulation is growing by the thousands as all Southern California learns that “you get so much more out of reading The Times.”

LOS ANGELES TIMES

WINNER OF THE 1959 PULITZER GOLD MEDAL—JOURNALISM'S HIGHEST AWARD

NATIONALLY REPRESENTED BY CRESMER AND WOODWARD, NEW YORK, CHICAGO, DETROIT, ATLANTA AND SAN FRANCISCO



Quality Can Lead in Price Market

Friedrich is cooling off price-conscious competitors in the southwestern market with air conditioning sold on premium-product appeal. Its winning strategy enables dealers to emphasize lasting performance, eliminates their price-cutting problems.

Newcomer in the air conditioning field, Friedrich Refrigerators Inc., San Antonio, uses a twofold sales policy to take and hold the lead place in air conditioning sales in the Southwest, where air conditioning is big business. That policy:

- Selling direct to retailers, each dealer paying the same price regardless of volume, and . . .
- Selling at suggested retail prices, which allow the dealers a realistic profit on a premium quality product.

Nub of the retail selling is: Never let the customer forget quality! Manufacturer and retailer pull together to this end. Even so, after five years of this kind of selling, R. W. Jones, Jr., vice president in charge of air conditioning sales, says frankly, "We never expected a premium product to out-sell price products."

Friedrich began manufacturing window air conditioning units in 1952. For many years the company had been nationally recognized in the commercial refrigeration field, so in air conditioning its only consideration was a quality product. For the first two years it rocked along without a sales manager of air conditioning. But in 1954 a sales manager was put in, and Bob Jones was pulled in from the field as his assistant. The company buckled down to the job of bucking price competition.

During the first two years, when the company relied on its reputation in the commercial refrigeration field, business showed the potentialities of home air conditioning, even with the ¼-h.p. units (larger window units were not made until 1954). During this time, too, Friedrich did an excellent business with motels, which used the smaller units for cooling individual rooms. Not until later, when the chain-owned palatial motels came



Friedrich

IT'LL BE A COLD DAY IN JULY...

EVERYWHERE there's a FRIEDRICH!

With a Friedrich Room Air Conditioner, you'll have the summertime of your lifetime . . . a cool, quiet, dry indoor climate, as fast as a blue norther! A Friedrich is built stronger to last years longer, to operate for less money. Every unit is factory tested

under the most demanding conditions. A Friedrich is thousands of BTU's better . . . you get a husky 18,300 in the 1½ h.p.; a tremendous 23,800 in the 2 h.p.! That's why Friedrich is the World's Most Powerful Air Conditioner . . . that's why YOU need a Friedrich for the good NEW summertime now! Ask your Friedrich dealer today.

FRIEDRICH REFRIGERATORS INC. • ESTABLISHED 1903 • AIR CONDITIONING DIVISION • 1117 E. COMMERCE • SAN ANTONIO, TEXAS

NO PRICE MENTIONED in an ad—this is cardinal rule for Friedrich. Instead, ads like this, which ran in *Look* and *The Saturday Evening Post*, play up the features (each ad mentions at least two) that inspire confidence in Friedrich air conditioners. Company believes regional editions of national magazines pull effectively.

into being, did the central heating-cooling systems come into general use.

In mapping its sales plans, one of the first things that Friedrich did was to set up a co-operative advertising budget to help its dealers. Two-thirds of the over-all budget was and still is allocated to dealer advertising. With certain stipulations, that is. These are:

1. Every ad must mention at least two features of the Friedrich air conditioner.
2. Price must never be mentioned in an ad.

"We felt then—and still think—that product knowledge is the key to selling a higher quality, higher price product," says Sales Manager Jones. "For this reason our sales department works very closely with each dealer to acquaint him with every feature. We literally take a unit apart to explain each component. The retailer, in turn, must make his customer understand the quality he's getting."

The Friedrich air conditioner's various quality features are explained in consumer folders, so the retailer can add variety to his ads by stressing different sales points from time to time in his advertising. Because Friedrich deals directly with the retailer, it can and does monitor the ads closely.

Local newspapers are first choice of media by the dealers, with radio and TV coming second and third, respectively. Friedrich likes to tie in poster advertising very closely with the dealer by means of 4 ft. by 8 ft. illuminated signs at his store.

"Over the years our advertising policy has turned out to be one of the best selling tools we have," Jones adds. "The advertising keeps Friedrich air conditioners identified with quality in the consumer's mind. By not pre-selling, we leave the quality story to the salesman, and he can demonstrate it. One of the best ideas we've ever used is a cutout model—an actual working model with glass panels. By explaining quality, the salesman can justify higher prices. We know that trouble-free, long service is driven home with the consumer, because of the word-of-mouth advertising they give our air conditioners."

"We've found our quality story a big sales advantage in another way," he continues. "Discount houses don't sell our air conditioners, because they operate on low prices. This is a help because it means no price cutting in any discount house. We also help avoid price cutting by treating all dealers exactly alike, regardless of how many units they sell during a



WHAT'S INSIDE and why it's good is explained by Sales Manager R. W. Jones. Every dealer gets this rundown.

season. We do not fix prices, we give only suggested prices. Since the retailer knows that he's protected, there's no incentive to cut prices."

► Friedrich also tracks a policy of straight selling. There are no campaigns or special sales of any kind—the price of each unit remains the same from the beginning to the end of the season, which is February through July.

The company itself goes in for institutional advertising. It uses *The Wall Street Journal*, *Look*, and *The Saturday Evening Post*. Each of these has regional editions that cover Friedrich territory—the Southwest. It also uses *Sports Illustrated*. Jones likes the regional editions of national magazines, and cites their pulling power even when no effort is made to encourage inquiries. Friedrich, with a budget of some \$500,000—about 5% of its air conditioning sales—is rated as a heavy regional advertiser.

Friedrich co-operates with its dealers by providing many kinds of point-of-purchase aids. Its field men have full authority, a feature retailers like.

The service end of the business has been worked out to leave as few headaches as possible for the dealers. They are responsible only for electrical repairs, and are thoroughly trained in this end of servicing. To handle problems within the sealed unit, Friedrich maintains a field service organization, with local parts supply depots. ♦

What do farmers with
dairy herds of 30 and more head
say about "most helpful"
farm publications?

● Important basic facts revealed in
new McCann-Erickson Study. READY SOON!

MIDWEST UNIT *Farm Papers*

This is the spot for a commercial



And these are the men who can *pick* the spots!

Bob Pettingell
KOB, Albuquerque

Frank Gaither
WSB, Atlanta

Van Beuren W. DeVries
WGR, Buffalo

Charles Gates
WGN, Chicago

George Utley
WFAA, Dallas-Ft. Worth

Charles J. Sitta
WKMH, Detroit

Frank Stewart
KPRC, Houston

Lee Bryant
KARK, Little Rock

Robert E. Mitchell
WINZ, Miami

James Butler
WISN, Milwaukee

Byron E. Anderson
KSTP, Minn.-St. Paul

Harry Moore
WTAR, Norfolk

Lyell Bremser
KFAB, Omaha

Harvey Glascock
WIP, Philadelphia

Richard M. Brown
KPOJ, Portland

David J. Shurtleff
WJAR, Providence

E. S. Whitlock
WRNL, Richmond

Fred C. Beckwith
KCRA, Sacramento

Rex Preis
WOAI, San Antonio

Jack Kainer
KFMB, San Diego

Jerry Friedman
KOBV, San Francisco

Anthony J. Koelker
KMA, Shenandoah

Robert H. Temple
KREM, Spokane

Max Kimbrel
WGTO, Tampa-Orlando

Gustav K. Brandberg
KVOO, Tulsa

Their knowledge of their local markets gives your product a better place in the sun. They know every part of the radio audiences their stations reach—know local listening-habits and how to make them pay off. What they know is *yours* for the asking.

Use their help to give your wholesalers and district managers really *solid* radio support that sells your product with maximum effectiveness at minimum cost.

PETRY RADIO OFFICES AND MANAGERS

New York.....	Ben Holmes	Dallas.....	David C. Milam
Chicago.....	Bill Pipher	Detroit.....	Bill Cartwright
Atlanta.....	Joe Sierar	Los Angeles.....	Garry Hollihan
Boston.....	Frank Howard	San Francisco.....	L. McGovern
St. Louis.....	Bill Oldham		

Radio Division

Edward Petry & Co., Inc.

The Original Station Representative

NEW YORK • CHICAGO • ATLANTA • BOSTON • DALLAS • DETROIT • LOS ANGELES • SAN FRANCISCO • ST. LOUIS

The Budd Company Marketing Team talks to

"Business papers are vital"

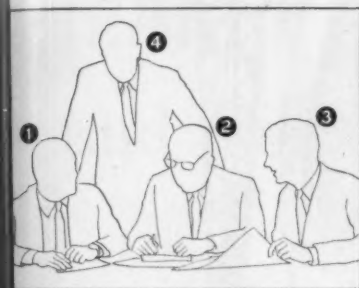


Budd

One of modern industry's most extensive and successful product diversification program has led to marked changes in the marketing and selling philosophies of The Budd Company. Today, this huge Philadelphia-headquartered industrial complex faces the job of reaching thousands of buying influences in such diverse fields as automotive, railroads, electronics, space-atomics, plastics, instrumentation and testing, plus a huge foreign market. Until recent years, Budd achieved success selling only a relative handful of major automotive and railroad companies. The changeover has been a monumental task . . . not yet completed, but well underway. Since 1958, the job of guiding Budd into new fields and new concepts has been supplemented by a 4-man team which directs marketing, advertising, public relations and market research. Members of this marketing team recently told Chilton how business papers have played a vital role in their company's transition from specialization to diversification.

Chilton...

to our industrial complex"



1 Herbert A. Boas, Jr., Vice President, Marketing: "Business papers are vital to our industrial complex. It would not have been possible to convert so many prospects into customers so soon after our diversification without the extensive use of business papers. We could not possibly continue to manufacture and market so heavily in the industrial goods field if there were no business publications to help us reach vertical groups interested in our rather sophisticated and often expensive products. As long as

business magazines and companies like ours continue to feel that they need each other, we are all going to keep moving ahead."

2 Joel H. Squier, Mgr., Advertising and Public Relations: "Business publications are indispensable to The Budd Company's present marketing philosophy. We are using more of them than ever before and look for this trend to continue. The Budd name is our most valuable property. We rely heavily on business papers to merchandise this name ... to open doors and introduce our salesmen to important buying influences. And we believe that long-term continuity is the key to successful business paper advertising."

3 James C. Collins, Market Research Mgr.: "Our market research group makes a habit of reading as many business publications as possible

to keep up-to-date. This is one of the best ways we know of to stay current. We use the marketing assistance offered by these publications as a check against the marketing tools we already have within our company. Talking to various editors is one method of getting a research project off the ground. Seldom does a week go by that we don't talk to at least one or two."

4 Paul O. Sichert, Jr., Assistant Mgr., Advertising and Public Relations: "The successful penetration of our business paper advertising into our markets is extended by merchandising the advertisements and articles through direct mail to customers, prospects and Budd personnel. We depend on the recognized stature of these publications to help our mail program. We find, too, that American business magazines give us some helpful penetration in foreign markets, arousing interest and producing inquiries for many Budd products and services."

Chilton is one of the country's most diversified publishers of outstanding business magazines. The vast knowledge of the fields covered by the 18 Chilton publications is available to you through Chilton's M-A-P ... a comprehensive Marketing Assistance Program drawn from the resources of each publication and backed by a fully staffed research department. Look to Chilton for the three essential qualities which make trade publications great—editorial excellence, quality-controlled circulation, and marketing assistance in depth. Write for the new booklet, "A Guide to Chilton's M-A-P."



CHILTON PUBLICATIONS

Chilton Company, Chestnut and 56th Streets, Philadelphia 39, Pennsylvania

Department Store Economist • Iron Age • Hardware Age • The Spectator • Automotive Industries • Boot and Shoe Recorder • Food Engineering • Commercial Car Journal • Butane-Propane News • Electronic Industries • Aircraft & Missiles • Optical Journal • Motor Age • Hardware World • Jewelers' Circular-Keystone • Distribution Age • Product Design & Development • Chilton Research Services • Business, Technical and Educational Books

Sales Management July 15, 1960 57



CHILTON'S

Only Electronic Industries' M-A-P offers you such complete **MARKETING COUNSEL** and research facilities

Take a new look at the electronic original equipment market. It has changed since yesterday . . . changed even more since your current marketing program was initiated.

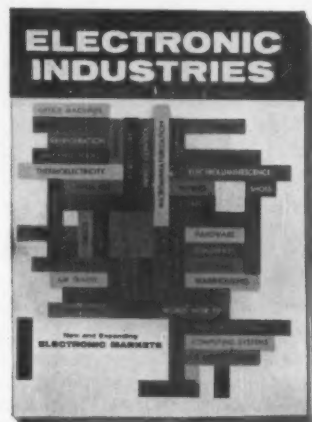
The only way to get the *complete picture fast* is through Electronic Industries' M-A-P.

There's nothing else like it in the industry. This comprehensive Marketing Assistance Program puts in your hands the seven basic tools you need to sell this market *right*. (1) Census of electronic plants on 40,000 IBM cards. (2) Marketing map of U.S. electronic plants. (3) 376-page marketing guide. (4) Market studies by a headquarters research staff and 250 field investigators. (5) Computer Center for processing inquiries and storing market statistics. (6) Profile of "Today's Electronic Engineer" (2000 IBM cards). (7) Advertising readership studies. (Nominal charge for some of these aids.)

Marketing counsel is always available from Electronic Industries' editorial, research and field personnel.

M-A-P is now combined with Electronic Industries' editorial excellence and quality-controlled circulation to give you the strongest advertising, selling and marketing "package" in the booming electronic field. Ask your Electronic Industries representative to help you start using it now.

ELECTRONIC INDUSTRIES guarantees a total circulation of 59,000 copies monthly (56,000 controlled), and leads all other publications with over 40,000 electronic OEM circulation. It delivers authoritative information on the theory, technique, design and employment of electronic components and equipment used on land, sea and in the air . . . in industrial, military and consumer applications . . . to readers with the power to buy.



Chilton
COMPANY

Chestnut and 56th Streets • Philadelphia 39, Pa.

Telephone: SHERwood 8-2000

ELECTRONIC INDUSTRIES



“OUR job is to buy markets for you—the largest markets at the lowest prices. In the metropolitan area, we plan to put most of our effort and your money in the New York News—which has the largest share of readers in the over-\$5,000 families—3,310,000, to be exact. And far more than any other New York paper can show in the over-\$10,000 families—510,000 readers!”

Lachner's Latest: Nail Polish For Scouring Powders

Last October when we talked with **Marshall Lachner** he said, "If you haven't got money, if you haven't got size, you can win with imagination and ingenuity." He was president of B. T. Babbitt, Inc. Now he's with a company that has money, size—and, as its competitors wryly agree—a king-size imagination as well. For Marshall Smith Lachner has put down the cleansing powder and joined **Revlon, Inc.**, as a senior v-p. Why? The persuasive powers of Revlon's controversial Charles Revson, the fabled Revlon salary and the opportunity to think, not just big, but enormous. Lachner, a healthy extrovert if there ever was one, has spent a long (and successful) career in selling and merchandising. He came out of the Wharton

School and took a lowly sales job with Macy's. And he stayed with Macy's long enough to double his salary and become an assistant buyer. But a friend at Colgate-Palmolive told him retail selling would never make a rich Lachner. He went to work for Colgate, stayed there 17 years, finally headed the Soap Division—a tidy \$156-million-a-year business. Pabst won him after that, made him president. But beer wasn't for Lachner. After two years he went to Babbitt, which was deeply in the red. With his flair for merchandising he made the big competition sit up and take notice. And now he'll try his hand at Revlon. Between him and Charles Revson the Revlon fireworks should make a spectacular display.



Photographs by Guy Gillette



'Advertising: One Ingredient of the Marketing Mix'

Schick Inc. has created a new job: vice president in charge of marketing. And it has named an advertising man to fill it. He's **Gerald Light**, who recently switched from a straight razor to a Schick for removing his own

blue-black beard and urges people to "feel" the result. Why an ad man in this important marketing post? "The shaving industry has sold a product, not a convenience," says the articulate Light. "Men feel as personally about their shaving

methods as they do about religion or politics." And part of his job will be to cut through the stubble of hidebound (and often meaningless) reaction on the part of straight and safety razor men. Until he joined Schick, Gerald Light had been a v-p of McCann-Erickson, Inc., servicing such accounts as Bulova, Simmons furniture, McGregor sportswear. Before that he was with CBS for five years, starting as advertising director for the CBS-Columbia Division and ending as director of advertising and sales promotion for the division. And prior to that he was with Emerson Radio, where he had "nine jobs in nine years." (He began there as an engineer, became head of the Hearing Aid Division when Emerson started it. His mother was hard of hearing and he was the only man in the company who knew anything about hearing aids!) . . . Schick's new management felt the need for a co-ordinated marketing setup, hired Light to pull off the big job of getting the various ingredients of the marketing mix into one container.

The most important objective in any advertisement

... is to gain the attention, interest and confident response of the relevant audience. And "relevant audience", from an advertiser's standpoint means not just potential readers, but potential customers.

Advertising craftsmanship can help make an advertisement you run in a given magazine interesting, informative, believable and compelling.

But the one factor that determines the all-important quality and relevancy of your audience is the thing that brought that audience together in the first place—the contents of the magazine.

This is the factor that will determine the intelligence ... the importance ... the achievement-level of the people to whom your advertisement is so carefully addressed. And this is the factor that is prompting more and more advertisers to evaluate "U.S. News & World Report" as ...

The most important magazine of all



Every week "U.S. News & World Report" concentrates its entire content on the important and useful news of national life and world affairs. This is news that America's most important people need and use in making personal and business decisions.

"U.S. News & World Report" publishes more of this essential and useful news than any other news magazine—much of it that is published nowhere else. Consequently, no other magazine is so thoroughly read and used by so many important, high-income leaders in business, industry, government, the professions—and the community.

Ask your advertising agency for the documented facts on the growing recognition of "U.S. News & World Report" as the important magazine ... from your standpoint, very likely the most important magazine of all!

U.S. NEWS & WORLD REPORT



America's Class News Magazine

Now more than
1,150,000
net paid circulation

Advertising offices, 45 Rockefeller Plaza, New York 20, N. Y.
Other advertising offices in Boston, Philadelphia,
Pittsburgh, Cleveland, Detroit, Chicago, St. Louis,
San Francisco, Los Angeles, Washington and London

KINTNER

Senate Democrats
ax FTC chairman

Earl Kintner's future as chairman of Federal Trade Commission now rests in hands of the voters. Refusal of Senate Democrats to confirm his nomination for a 7-year term means he will lose his job—unless a Republican President is elected in November. (SM forecast this possibility May 20, page 57.) . . . Since FTC members serve until a successor wins Senate confirmation, the dynamic FTC chief will hold his job until January. But a Democrat President would no doubt then give Kintner the boot.

Irony of it all: Most Dems agree Kintner has been best FTC boss in memory of either party. But "political considerations" dictated that the job be held open for a Democrat—even though FTC is supposedly non-political! . . . Clearly a case of short-sighted, to-hell-with-the-public's-good partisan politics.

PRICING

regional price cuts
now ruled illegal

Cutting prices on a regional basis is now more illegal than ever. Recent unanimous opinion of U.S. Supreme Court in Anheuser-Busch case upholds FTC's power to prohibit a company from cutting prices in some areas but not in others. FTC need only prove competition is impaired or competitors are hurt—an easy matter. . . . The court thus reversed a lower court decision favoring the beer company. Results: (1) Robinson-Patman Act acquired some new teeth; (2) FTC got a new weapon; (3) marketers may now expect more FTC price discrimination cases.

Facts in Budweiser case: In 1954 Anheuser cut prices in St. Louis to level of local brands, while Bud continued to sell at premium price elsewhere. FTC charged illegal price cutting. Lower court dismissed the complaint, reasoning that all competing customers in St. Louis area paid same price for Bud—therefore no price discrimination. Not so, ruled Chief Justice Warren, holding that price discrimination exists even if customers aren't affected. Supreme Court decision doesn't end the case: It goes back to lower court for final determination.

PROFITS

after 8 years—
black ink for radio

Radio shows new evidence of having found its niche in this TV-soaked world. Note this announcement from NBC Radio: For first time since '52, red ink is being put on the shelf in favor of the more restful shades of black. By June 1, the big network had written as much business as in all '59, and the last three quarters of '60 were already booked at a profit.

Behind the profit breakthrough: At first of the year, NBC Radio chopped 30 hours (including all soap operas, variety shows) from its 75-hour-per-week programming schedule. Left was a hard core of news, special events, sports programs. Affiliated stations, pleased with the change, promptly upped clearances of network programming from '59's 75% to close to 98%—creating a much more attractive package for advertisers.

PRODUCTS

product development:
tough, costly job

It's one tremendous job to develop and bring to market a diverse flock of new products. Curtiss-Wright is facing up to this situation after recent resignation of Roy T. Hurley, chairman and president. Under Hurley for 11 years, the once thriving aircraft engine maker tried to spread product lines far and wide. With sales and earnings dropping, C-W still plowed a fat \$15 million into new product development in '59 alone.

Hurley's projects—some definitely inspired—included an "air-car," "aerial platform" for the military, revolutionary type engine, new propellers for aircraft to fly both vertically and horizontally, nuclear reactor controls, electronic equipment, metals products, diesel engines, others. All in all, one whopping list of products to develop and open new markets for. . . . Now management makes it clear that C-W will be rejuvenated, given new direction. Watch for a real change in emphasis in product development—in objectives and strategy—at Curtiss-Wright.

BRANDS

unions plan to sell
cut-rate drugs

Drug makers are watching the unions. They're stirring up a national movement to provide cut-rate medicine for union members and families. Nine major unions in New York City are already drawing up plans for a chain of non-profit drugstores. (Two organizations for retired persons recently started selling low-priced drugs by mail.) . . . Retailers would be hurt the most. New York druggists are fighting the movement, pleading for national support. For the drug makers, it means they'll be selling more in large quantities, and by generic—not brand—names. . . . This is one example of what can happen when political investigations and publicity are focused on marketing, on brands, prices, profits, etc. (see our lead article, page 33).

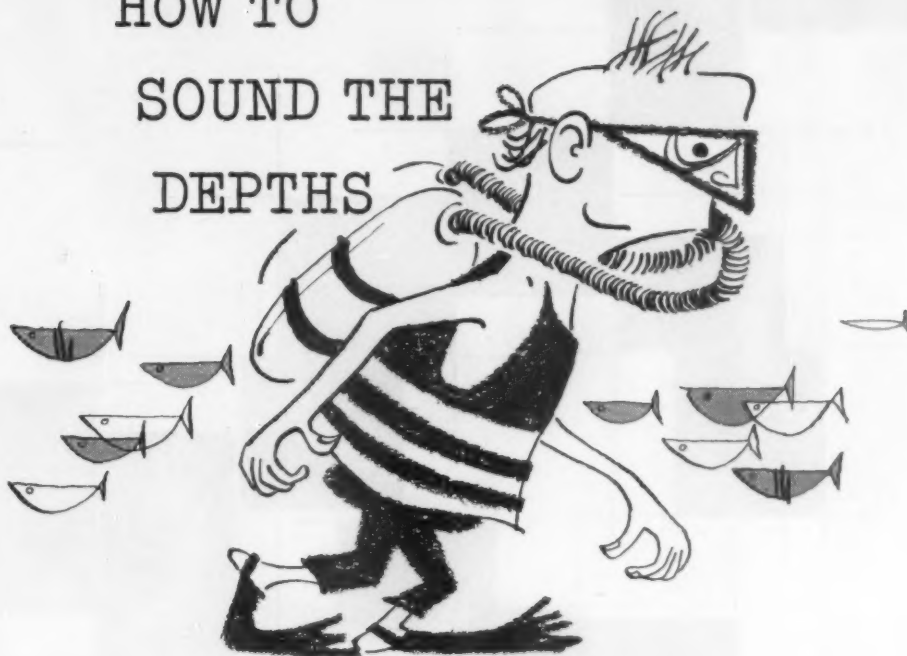
MISCELLANY

news and ideas
of marketing note

Westinghouse Electric's unveiling of its shiny new trade-mark and logotype was timed for maximum impact. It's being seen by 80 million people tuned into the Westinghouse-sponsored political nominating conventions. The new trade-mark is designed to convey the impression of a modern, forward-looking, research-minded company. . . . It's a good time to aim sales efforts at consumers. Family income climbed 6% from '58 to '59. But inflation didn't eat up extra spendable dollars because consumer prices rose only about 1%.

New pay-TV system, soon to be tested by TelePrompter Corp., will allow viewers to press buttons on a control box to order goods shown on the TV screen. . . . Carter Products, maker of Rise shaving cream, is charged by Federal Trade Commission with using deceptive TV commercials which "disparage competing shaving lathers." . . . Travel-happy Americans take to the road and cover some 1,200 billion vehicle-miles a year. . . . Executives on the move use 16,000 company-owned business aircraft to log 4 million flight-hours a year. . . . Personal income is now nudging an annual rate of \$400 billion.

HOW TO SOUND THE DEPTHS



(OF YOUR MARKET)

You can forget about divining rods, bathyspheres and high frequency oscillators. With the help of Mass Mail, you can plumb the depths of your market at relatively little cost and great profit.

The publisher of a high priced book set has successfully used Mass Mail to expand what was originally a limited market of intellectuals. He is now selling complete libraries and accessories to a broadened parent and leisure market.

Lemarge assisted in the initial exploration and testing of these new markets. Our knowledge of Mass Mail techniques was used in the selection of test markets, creation of art and copy, production and processing.

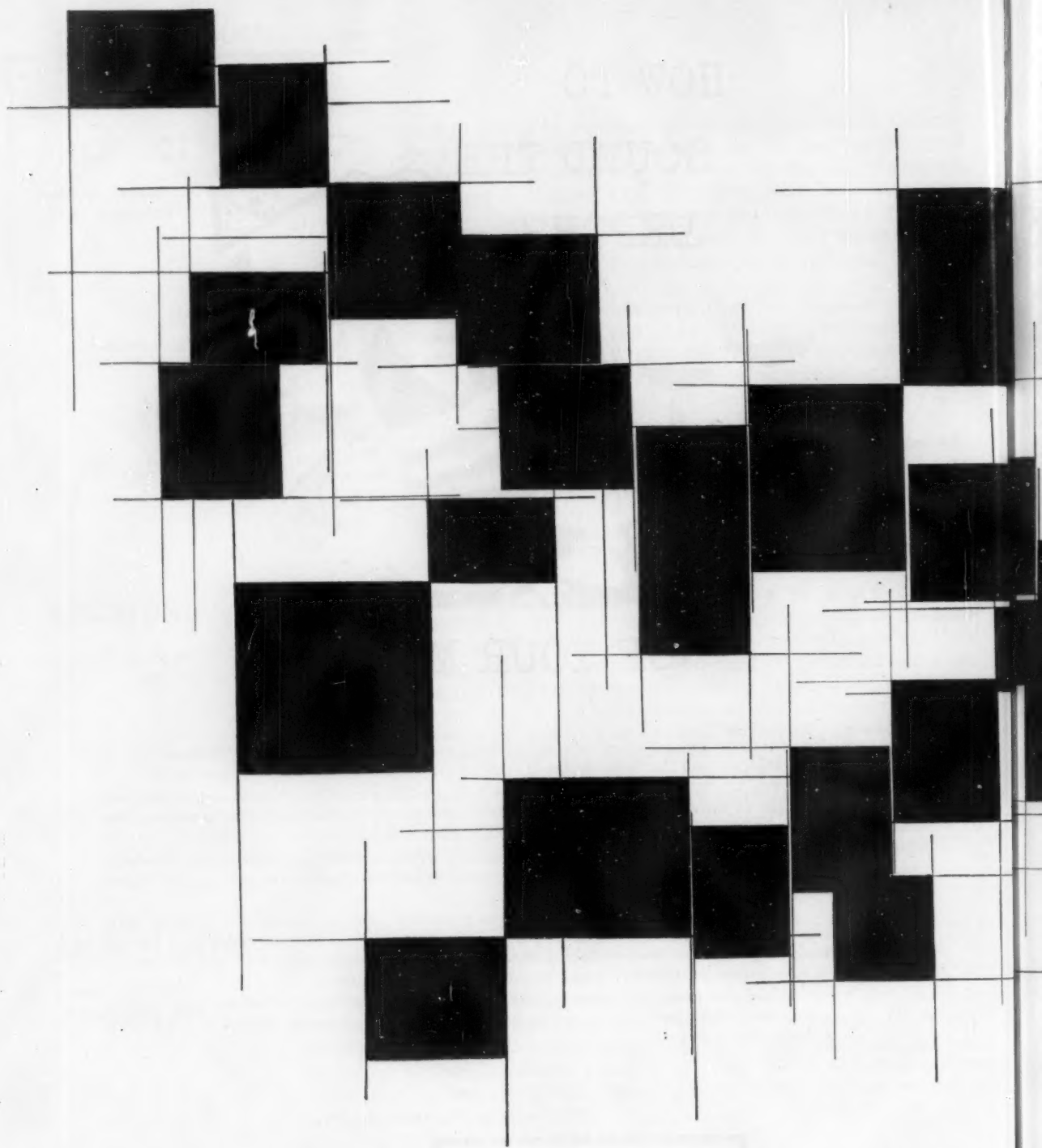
This knowledge is the result of years of pioneering experience in the field of Mass Mail. During that time, Lemarge has developed new approaches and methods for market and product testing, evaluation of data, mechanical production and processing of direct mail, and the creation of sales-reaping art and copy.

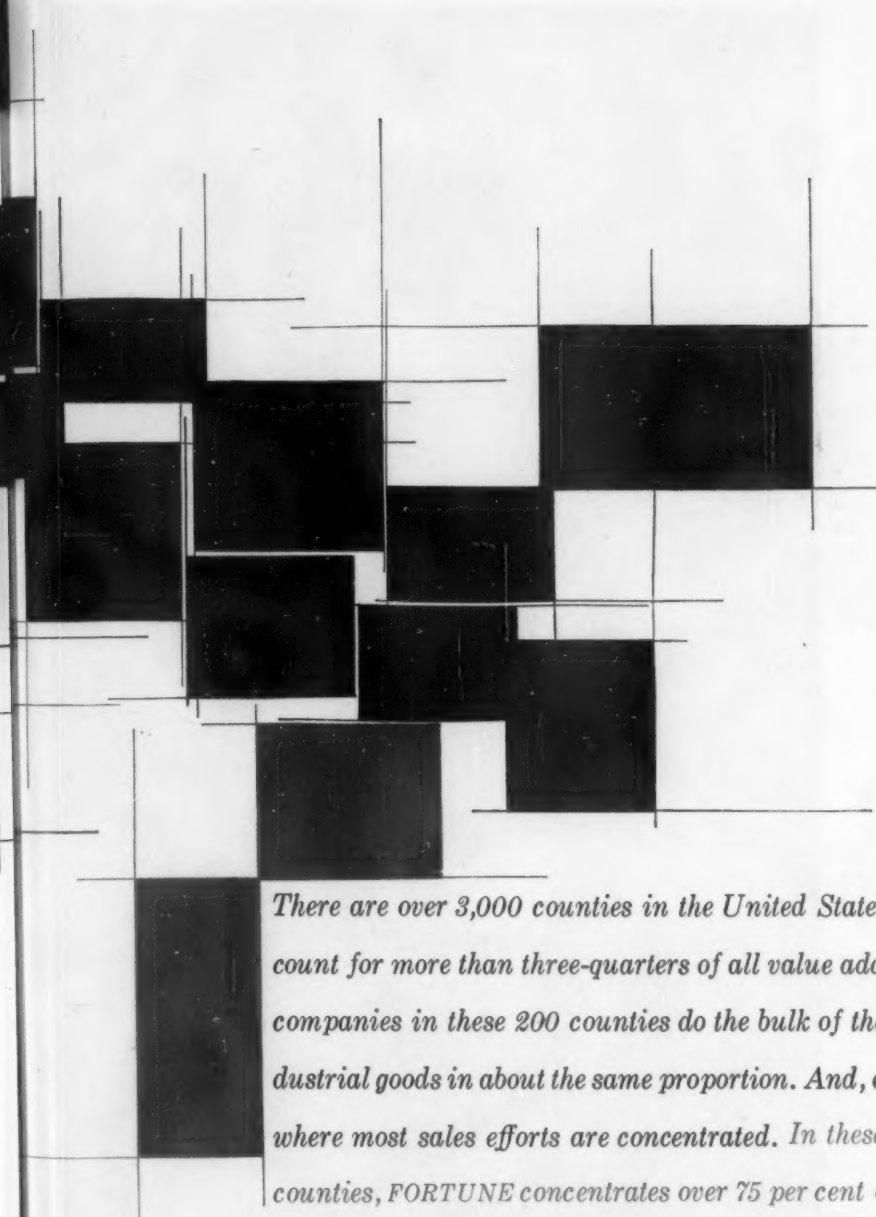
Lemarge is currently cooperating with some of the nation's biggest advertisers in the production of Mass Mail advertising that reaches the heart of every type of market. Perhaps we can perform a similar service for you.

LEMARGE

Mass Mail Specialists

Lemarge Mailing Service Company, 417 So. Jefferson St., Chicago 7, Illinois



An abstract graphic on the left side of the page, consisting of several black squares of varying sizes arranged in a staggered, descending pattern from top-left to bottom-right. Thin black lines intersect these squares, creating a grid-like structure that extends across the page.

*There are over 3,000 counties in the United States. Yet the top 200 counties account for more than three-quarters of all value added by manufacture. Since the companies in these 200 counties do the bulk of the manufacturing, they buy industrial goods in about the same proportion. And, of course, these are the counties where most sales efforts are concentrated. In these same 200 leading industrial counties, FORTUNE concentrates over 75 per cent of its circulation. This kind of circulation, particularly among those management men whom salesmen seldom see, is one of the reasons why advertising in **FORTUNE** gets results.*

WILLIAM T. BRADY

DYNAMARKETER

Brady Sells His Managers

By LAWRENCE M. HUGHES
Senior Editor

"We have a potential to live up to, a destiny, gentlemen, to fulfill. I wouldn't care if the world stood still—this company should still keep moving ahead."



on CP's 'World Destiny'

At times the thoughtful planner who for four years has shaped a much bigger Corn Products Co. becomes especially eloquent and provocative. To his managers William Thomas Brady says:

"We have to think big and act big. I want our name connected with leadership. . . . Our greatest need is for dreamers, [who can] conceive of the things that lie ahead . . . and know what to do about them. Our ambitions go far beyond the single-minded purpose of beating out competition. We have a potential to live up to, a destiny, gentlemen, to fulfill. I wouldn't care if the world stood still—this company should still keep moving ahead."

But Corn Products' president also expects the world, and the American part of it, also to move briskly ahead. To university graduates he cites "the qualities of the new frontiersman: divine discontent; discipline; an understanding of the present, and a vision of the future; ability to cope with confusion and uncertainty, and resiliency to stress and defeat. Our goal is not a finished America, a satisfied and overstuffed economy. It is the mobilization of all men and women who [can] look farther than their eyes can see."

► And to food distributors at Lausanne, Switzerland, he says: "We must do everything possible to improve the diet of every human being." American companies must fight for this opportunity: By 1970, with a gross product "55% higher than today, the European Common Market may well be the largest exporter." But, with its consumer spending power raised by half, the ECM also will offer a larger opportunity for American products.

Corn Products' president urges food producers throughout the Free World to speed "research on nutrition that will lengthen man's useful life; prevent, perhaps, or treat his most grievous diseases, and make low-cost balanced meals available to low-income families everywhere."

From his private den in Corn Products' shiny new offices at 717 Fifth Ave., Brady surveys potentials on a big world map. Already, CP manufactures in 20 lands outside the U.S., and sells in every Free World country. As prospects he counts "well over a billion mouths to feed."

In five years, he reports, sales outside the U.S. and Canada have almost doubled. In 1959 these operations produced nearly one-third of the company's \$676.3-million volume and of its \$33.1-million net income.

To his 62,000 shareholders Bill Brady predicts:

1. Expansion of the international food brand: The underprivileged are rapidly becoming the mass market. And these people have tastes that are decidedly upper class.

2. Rising demand for nutritional foods, here and abroad, both for underfed and overfed (but undernourished) people.

3. Growing values in food products, spurred by the industry's competitive drive to give the customer more,

and backed by our growing technical ability to provide it.

In five years Corn Products has climbed from 27th to seventh in sales size among all U.S. food manufacturers. Today, its volume is outranked only by meat packers Swift, Armour and Wilson, by milkmen National Dairy and Borden, and by General Foods. And in profit-to-sales ratio CP stands higher than any of them.

Brady seeks still more sales: "With our current setup—not counting possible acquisitions and new areas," he says, "we should reach \$1 billion by 1965."

But he also seeks higher-profit products and areas: "We want no profit-starved bigness." In addition to new foods, CP is "studying drugs, pharmaceuticals and household supplies."

"In plotting its growth curve any company's management must consider three necessities: renewal, expansion and integration. Some of CP's veteran brands, such as Hellmann's, Mazola and Karo, seem to have found the secret of eternal youth. But we can't trust in any product's immortality." When replacement is required, the newcomer should add more to the profit potential.

Brady urges food manufacturers to spend more for product research. He suggests they aid the development of all phases of "agribusiness." And he tells SM: "For consumer goods, Corn Products now spends 1% to 2% on research and development. In five years our R&D efforts have changed from overemphasis on corn to wider areas, and from fundamental to applied research."

To provide the facilities for tomorrow's products, CP's expenditures for capital expansion are now at a \$26-million-a-year rate. Plants are planned for Japan, the Philippines and elsewhere.

► Especially since the merger with Best Foods, in the fall of 1958, Brady explains, "We've undertaken a sweeping evaluation of all our operations and facilities—even our thinking. This has led to a sharpening of our manufacturing efficiency and marketing strategy."

He regards his own job today primarily as one of planning and world development. Executive V-P John R. Rhamstine guides operations and assists Brady in all phases of management. Senior V-P Alexander N. McFarlane directs all sales, and Senior V-P Aaron S. Yohalem is in charge of corporate development.

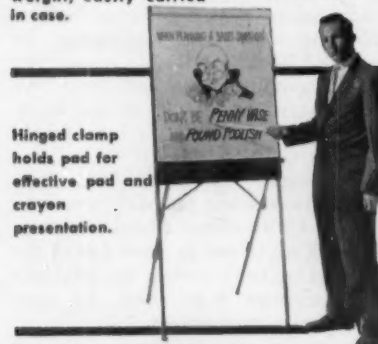
In the U.S. and Canada some 600 "merchandisers" of the Best Foods Sales Division now handle all consumer products. Technical specialists in the Corn Products Sales Division serve 60 industries. Combined sales of these two domestic divisions are about \$350 million. The rest is in feeds, refined sugar and syrups, glucose, dextrose, etc.

The laboratories continue to spawn new members of the 500-product line. For better nutrition, Brady says, "We are now offering liquid corn oil in such forms as margarine and salad dressings. Related products are being brought out under established trade-marks."

(continued on next page)

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WILLIAM T. BRADY (continued)

DYNAMARKETER

"Products developed here—Mazola, Skippy peanut butter, Hellmann's, Bosco and others—are now going abroad. And products being developed abroad may be introduced here."

In response to a question, he says that "99.44% of our efforts today are for our own brands."

Shareholders learn that expenditures of "more than \$30 million in advertising and sales promotion pre-sell our products. In 1960 this total will be substantially higher." In five years the number of agencies handling domestic advertising has grown to seven. And in this period advertising expenditures abroad have nearly doubled. Among all food advertisers in the U. S., CP now ranks eighth.

Bill Brady also has been busy building a corporate image and a corporate family seal. "When I used to tell people that I worked for Corn Products," he explains, "all they said was Huh." Now he is sure that the company's public relations efforts are paving the way for growth in a lot of ways—from recruiting college seniors to introducing products.

► Extrovert Brady himself plays a broad relations role. He is chairman, executive committee, of Corn Industries Research Foundation, chairman of Foundation for American Agriculture, and an officer of Grocery Manufacturers of America and American Management Assn. Among all the groups he addresses, probably he is most stimulated by students and young managers.

Founder Edward T. Bedford would have trouble recognizing Bill Brady's 1960 model of Corn Products. Bedford created the company out of Standard Oil money and the old Glucose Trust. Though antitrust action reduced CP's share-of-market to 45%, Bedford built so solidly that the company (assets today: \$424 million) became known as a "sound defensive investment." Many, indeed, referred to it as a "bank."

But profits derived largely from cost cutting and expansion abroad.

Product changes were rare.

Brady is the fourth man to stand beneath the Founder's austere picture. The three before him brought the outfit through the big depression and then the big war—gradually broadening and liberalizing it, introducing research and diversification, and as new product areas were entered, making it more "competitive."

Meanwhile, farmer's son Brady studied engineering at the University of Illinois, served as an Army Air Corps lieutenant in World War I, and then went to work running a feed dryer at Corn Products' big plant at Argo, near Chicago.

► Soon he was a supervisor, and then helping to start a CP plant in Germany. He managed plants in Edgewater, N.J., and North Kansas City. In 1936, at 38, he had come full circle to be general manager at Argo. Nine years later he was brought to New York as assistant to the president. He became a v-p and director, and in March 1956 succeeded ailing Dr. Ernest W. Reid as president.

In golf Brady shoots in the 90's. Explaining this, he says: "Anybody who shoots under 90 is probably neglecting his job. Anybody who shoots over the 90's is probably neglecting his golf." When he can, he likes to slip away from his Fifth Avenue apartment to shoot ducks with the home folks in Anna, Ill.

But, in several languages, he has learned to make friends. After his long (and successful) battle to organize the Argo plant, it was said that even the CIO "still liked Bill Brady." Having lived in Germany, he knows that language well. In French and Spanish he "gets by." He knew North Korea when CP had a factory there, and now and then he visits the Far East headquarters at Hong Kong. Wherever he goes, he tries to learn the background of each country. (Abroad, CP has done best in Europe and Latin America. Its opportunities in the rest of the world are largely untapped.) ♦

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Sales Management July 15, 1960 71

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1 page, two colors
Agency: Earle Ludgin & Company
Owner—Restaurant and Tavern
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Now. It's a revolutionary way to serve hot drinks fast, in volume. Use Lilyp™ China-Cote® Service Cups! This amazing disposable cup saves space... serves country... spends service... has the look and feel of fine china... and best of all, it's the paper cup you never taste!

The Lilyp China-Cote Cup is a superior plastic-coated 7-oz. cup with reinforced handles for the perfect sipping. Its composite/bulder-made of Cupulap® is practically indestructible, scratch-resistant, comfortable to hold, and never leaches the lip.

Order Lilyp China-Cote Service Cups today. For information of other Lilyp paper products that can make food service easier for you, just fill in this coupon.

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LILYP-TULIP

See name below only in Reader Service box

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Agency: Grey Advertising Agency, Inc.
Food Manager—Food Processor
"Staining and breakage is quite a problem, so I sent for additional information on this type of cup as advertised here."

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Let the Reinforced Reynolds Wrap package continue to use your skills to pursue and to expand. Contact your sales office, local distributor or nearest Reynolds office.



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A variety of Reinforced Wraps and Coatings

Reinforced Wraps — 31 or 304 stainless steel — 16 or 20 mil

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1 page, black and white
Agency: Zimmer-McClaskey-Frank, Inc.
Owner—Restaurant
"Made a note to order this foil in the large quantities. Think it will be better than waxpaper."

COMMENTS ON OTHER ADS

**Director of Food Services,
Hospital:**

"Bought a new brand of shortening as a result of a recent ad. We will try it out for a month, and if we like it will continue to buy. Also bought shrimp from a recent ad."

School Dietitian:

"Inquired about and purchased Cres-Cor dish tray racks which I read about in a recent ad of Crescent Metal Products, Inc."

Lunchroom Director, School Cafeteria:

"Wrote for information on foodomatic equipment advertised a month or two ago."

Supervisor, Restaurant for Employees:

"Three or four months ago we bought some of the Carnation Company non-fat dry milk as a result of their ad."

**Building Superintendent,
State University:**

"Recently I ordered some cleaning compound I saw advertised in this publication."

Food Director, School Cafeteria:

"After seeing it advertised in a recent issue, I purchased just the type mop dollie for which I had been looking."

**Food Production Manager,
Hospital:**

"I asked the local representative for information on a Holly-Matic meat portion machine I had seen advertised in **VOLUME FEEDING MANAGEMENT** recently."

Manager, University Club:

"We bought a salad work table and a deep freeze unit advertised recently."

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'Give Me the Sales Rep, Any Day!'

By EDWARD BACHORIK
General Sales Manager, Allied Control Co., Inc.

The manufacturers' sales representative rings up twice as many sales as the company salesman from branch or local office over the same period.

Or, to put it another way, although manufacturers employ four times as many salesmen as reps throughout the country, the total sales of the company men are only twice that of the reps. In addition, company sales office payrolls are nearly five times larger than those of the independent sales reps.

This superior sales-getting ability sharply contrasts the independent agent with the company salesman in both consumer and industrial sales, according to the latest Census of Business statistics. On the average, industrial and consumer sales agents are also more economical than company office salesmen. Operating expenses for the independent agent average about 3.1% of sales as compared to 7.7% for company sales offices and branches.

Despite these impressive national statistics, many industrial companies continue to debate the question of setting up regional sales offices or hiring sales reps. In the fat sales years, of course, the trend is usually strongest toward the company sales office. In the lean years, many companies tend to fall back on the more economical sales rep.

This wavering between sales rep and sales office may reflect a policy of trimming sales expense to fit the prevailing sales volume. But it can also have the effect of braking sales activity in a given area by undermining the company-rep relationship—upon which increasing sales effort and effectiveness is based.

Prestige rather than profits, it seems to me, has led many industrial companies to establish sales branches where they could have done better with a good sales rep. A sales office in San Francisco is a point of pride

with many eastern and mid-western industrial manufacturers. Often, economically run companies staff these sales offices at a high cost, gaining only a comparatively low rate of return in sales volume.

Now it would be nonsense to claim that the sales rep is the answer to all industrial marketing problems of all companies. There are, of course, good and sufficient reasons in certain marketing situations for choosing the sales office over the sales rep. It would be difficult, therefore, to condemn all of the industry for what appear to be uneconomic sales policies.

For the electronic and electrical equipment industry, however, I would not hesitate to say that the sales rep offers the better bargain. Having tried both—sales office and sales reps—Allied Control Co., Inc., manufacturers of relays and switches, is convinced that the sales rep holds

The Pro and the Con

"The rep sells twice as much!" states author Bachorik. And as a sales manager who has used both systems, he should know what he's talking about.

But what about those of you who have tried and failed with reps? SM is well aware that there are two very vocal sides in the salesman-vs.-rep debate. Who's going to step forward and say a few words for the loyal, productive salesman?

The editors would be interested in hearing whether you agree or disagree with this author's convincing defense of sales reps.

a distinct advantage. If forced to put the advantage in one word, I would pick "initiative."

Time after time we have set up regional sales offices when the need seemed clearly indicated. Time and again we have supplanted the office with a sales rep in the same area and then watched sales volume grow immediately. In many instances sales have even doubled in the course of a year after the switch. It has happened often enough for us to rule out chance and vagaries of business cycles.

Experience has taught us that the regional sales office is severely limited by the type of sales manager who can be employed to run it. Too often the best qualified men we have employed as regional sales managers have quit to become sales representatives themselves. The average regional sales manager easily becomes

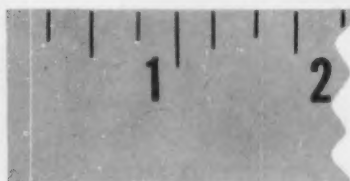


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a complacent manager. The one who has an urge to go into business for himself takes with him not just customers or accounts, but the two important things worth having in a sales office—his inborn initiative and independence.

Both initiative and independence are essential to any good salesman—they are the mark of a good sales rep. Without them the manufacturers' sales representative is seldom more than a mechanical extension of a company—a robot who can write orders.

Most sales reps have built-in initiative. They develop this talent because they have to in order to survive. The survival factor also forces a sales rep to make constant use of his imagination and everything at hand to land sales.

Some regional sales managers are available who combine good salesmanship, ambition and management ability. But the odds are strongly against their being able to take the bold steps of initiative that are required in a competitive field.

Let me make it clear at the outset that in hiring a sales rep you are not merely buying an efficient and economically run sales organization. What you should get in addition is the extra sales ability produced by the sales rep's initiative and independence.

► Oddly enough it is exactly these two qualities that are the source of most complaints against the sales rep. That they are double-edged would be useless to deny. Most companies jealously guard their control over sales policy and administration. For this reason, interminable reports are required by the most rigid companies. Seldom have I known a sales rep who enjoyed writing reports. Most will honestly admit that time spent writing a report might be better spent in selling. Considering the large number of reports demanded by most companies, this can build up to a significant amount of unproductive selling time during the year.

The sales rep's initiative can also be turned against him. When he has built up a large volume of sales in a given area, he must face the strong probability that the company is thinking of replacing him with a sales office. This happens particularly in boom times when the company expects to cut the cost of sales by using salaried salesmen rather than paying the sales rep's commission. This threat of self-elimination inevitably frustrates the sales rep. Soon he begins to let up on sales effort for the

company and keeps it from realizing the maximum potential sales in a given market area.

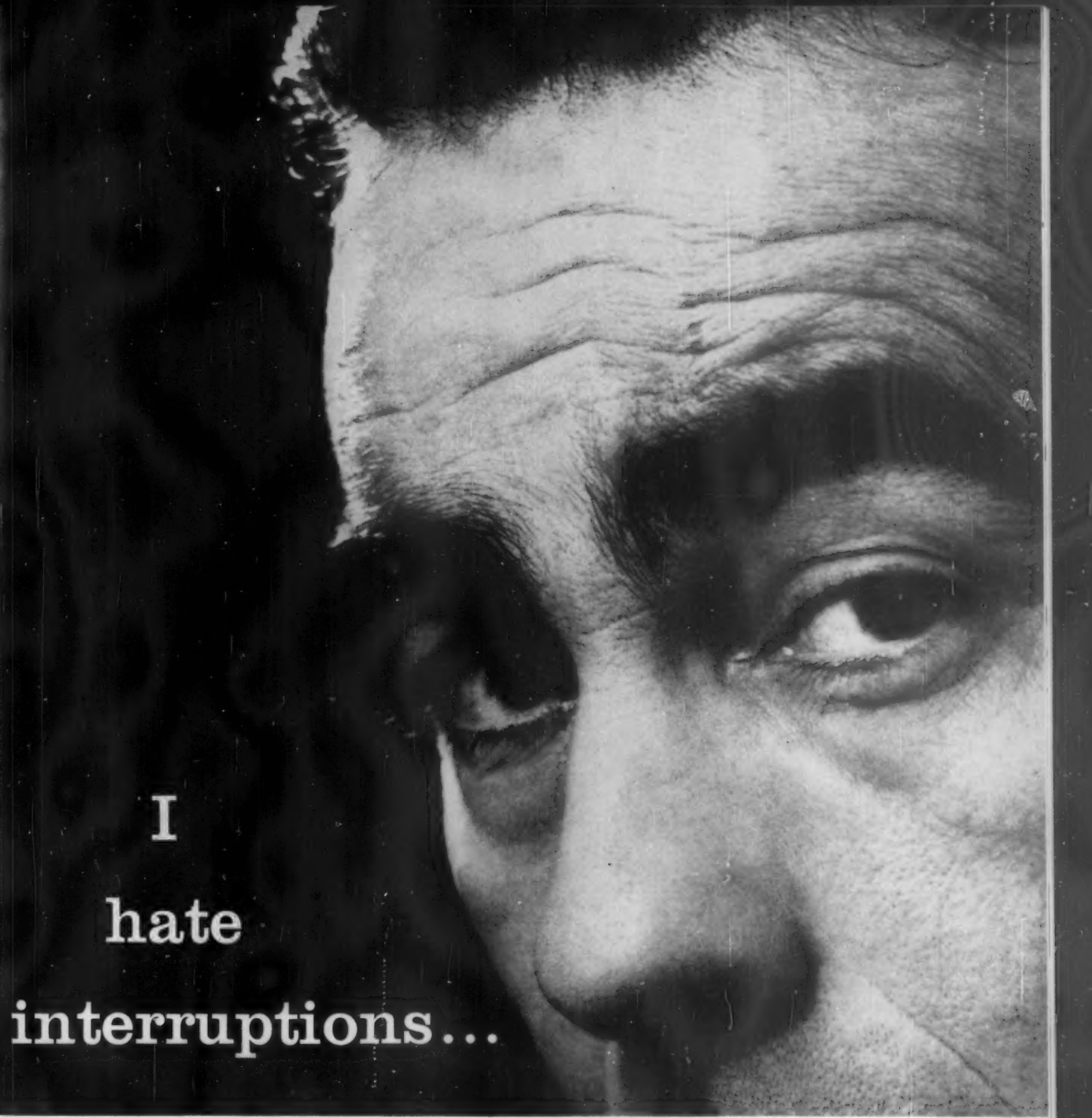
Both of these arguments against sales reps are based on essentially superficial, psychological reasoning. If you grant that the sales rep offers the most effective and economical means of selling in the wholesale industrial market, the problem becomes one of finding ways to get the most out of your reps in spite of "inherent" drawbacks.

These so-called inherent drawbacks are based largely on certain textbook criteria for deciding when or when not to use the manufacturers' sales representative. One of these criteria hits directly at most companies' pride or prestige—that is, that the company which employs sales reps cannot afford to do otherwise. Thus a sales office, no matter



All for the Rep . . .

General Sales Manager of one of the top two manufacturers of electromagnetic relays, Edward Bachorik has had enough (20 years) sales experience with both company men and reps to know whereof he speaks. Now in his 13th year of sales management at Allied Control Co., Inc., New York, he travels a minimum of 50,000 miles a year to keep tabs on the reps he champions. Bachorik studied business administration at the College of the City of New York, spent five years in sales work for a major life insurance company before turning to the electronics field. Prior to his Allied association, he held sales positions at the Hammarlund Manufacturing Co.



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653,106 Sundays—487,284 Weekdays
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how much it may cost in lost sales and administrative expense, is often a point of pride with industrial companies.

Other reasons given for choosing the sales rep over the regional sales office are—because the company . . .

1. Has only one product, or one product line and that of low-unit cost.
2. Is bringing out a new product.
3. Needs distribution in underpopulated, distant areas.
4. Needs accessibility to prospective buyers in specific, narrow market areas.
5. Wants to expand into new areas.
6. Wants to maintain continuous representation in a given market.

All of these commonly accepted criteria justifying the use of the sales rep, good or bad, tend to ignore the single positive value reps have to offer at any time or place—aggressive selling.

Obviously, in order to survive in business, the sales rep has to go out and get sales. It's as simple as that—no sales, no commission. Besides providing the incentive to more sales, this formula links sales costs directly to sales, for the manufacturer. For the small company which cannot afford a large sales force this offers immediate benefits.

► The initial costs of a sales program involving a fairly large investment in finding, training and keeping salesmen can be kept down to manageable proportions by using the sales rep.

But medium-size or even large companies also stand to gain from the economy as well as the superior selling ability of the sales rep. Planning and control of a marketing program is almost automatically determined because selling expense is directly related to sales. In addition, these selling expenses can be handled much more easily by the sales rep who can spread them among the various lines he represents.

With a number of related lines to push in a given territory, the sales rep is usually in a better position to give broad coverage of the market from the small to the large volume customer. "Smokestack-counting" salesmen tend to predominate in company sales offices where selling expense has to be weighed against the prospective volume of sales. The small, one-smokestack company is generally bypassed in favor of the bigger, more profitable businesses. Yet it is the cumulative sales from these smaller companies that eventu-

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THE MANAGEMENT WEEKLY



The Simmons-Boardman Railway Group includes these 4 monthlies, each pinpointed to a different prospect-group within the industry: • Locomotives and Cars • Track and Structures • Signaling and Communications • Purchases and Stores.

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ally yields maximum sales volume in a given territory.

Each line the sales rep carries, up to a certain point, increases his value to his client as well as to his customers. The company salesman may never get the door open to a good prospect who will roll out the welcome mat for a sales rep. With his multiple lines, the sales rep can more easily service the customer's multiple needs and save him considerable time.

Buyers, by and large, find it easier to deal with the sales rep for these very valid reasons—and also because

of the greater interest the rep can afford to take in individual customer's problems. Since the sales rep can expect to get a larger volume of business from the customer through his many lines, he can justify giving the customer better service than the company salesman. A well established sales rep is generally well regarded by his customers. Many are inclined to rely heavily on the rep's judgment in marketing matters.

Years of experience in handling related lines is, of course, one of the factors to consider in choosing a sales rep. Broad experience of this kind is

only bought at premium prices if you are looking for a company salesman or regional sales manager. But the commissions to an experienced rep keep pace with the sales he produces. No fixed sales expense need be charged up for the extra experience.

Meeting the payroll, paying the rent, getting good salesmen and keeping records is the responsibility of the sales rep. He has to budget his costs wisely in order to keep in business. All administrative problems of handling the regional sales office are taken over by the sales rep on a sound economic basis. This relieves the manufacturer of such problems.

When it comes to expansion into wider, or even national markets, the sales rep offers a ready-made organization. It takes only weeks to line up enough sales reps to give national coverage. It would take years of patient work to build and maintain a national sales organization. The difference in lost sales time can spell the difference between success and failure in a venture under competitive conditions. The sales rep produces results fast in the early stages when speed counts.

► All things considered, the sales rep offers a great number of advantages in marketing in the wholesale field, particularly for industrial goods. The major difficulties experienced with sales reps generally can be attributed to the problems of maintaining good relations and communication between manufacturer and sales rep. Many such relationships break down because of improper handling or understanding between the two parties.

Years of dealing with many sales reps throughout the country have yielded some knowledge of how to cooperate with them for optimum results in increased sales volume. Here are some of the major points to keep in mind for getting the most out of your sales rep:

1. Avoid making unnecessary or time-consuming demands on a sales rep's time.

2. Keep sales or call reports to a minimum in size and quantity.

3. Go after and keep his loyalty.

4. Set up simple but efficient order handling methods.

5. Keep communications open both ways.

6. Help the sales rep to give your customers the best possible service.

7. Make the most of tying in with the rep's related lines.

8. Foster the rep's position as an expert adviser to buyers. ♦

ARE YOU GETTING THESE BENEFITS FROM YOUR PRESENT SALESMEN'S CAR PLAN?

They Are Yours with the Unique PHH Services

1

An expense reimbursement plan that salesmen endorse
... one that eliminates inequities.

2

Safe, late model automobiles delivered directly to the
salesman's home anywhere in the United States or
Canada.

3

Complete company control over car expenses which can
mean substantial savings to you.

4

Easing of the problem of salesmen turnover and
recruitment.

Currently, more than 500 cost-conscious companies ...
leaders in business and industry ... are using the PHH
plan to solve the need for modern, dependable, economi-
cal transportation for salesmen.

Find out how you can benefit from the unique advantages offered by PHH. If you
employ 20 or more salesmen using transportation, call or write today for full
information and a copy of our brochure entitled "A Look Into the Peterson,
Howell and Heather Car Plan".

PETERSON, HOWELL & HEATHER, INC.

Complete Management Services for
Salesmen's Car Plans

2521 North Charles Street—Department E-4
Baltimore 18, Maryland

In Canada—3970 Cote des Neiges Rd.
Montreal 25, P.Q.





ON THE SHELF too long? That's bad business for any product. Successful packages are designed to (1) win their shelf-space first and then (2) move quickly from shelf to shopping cart. How fast they move depends directly on **how** they affect the shopper. That's why CCA talks to shoppers at the **shelf**, finds out **what** makes them reach for one package and not another. **To pack it—move it—sell it** is the business of CCA packaging.

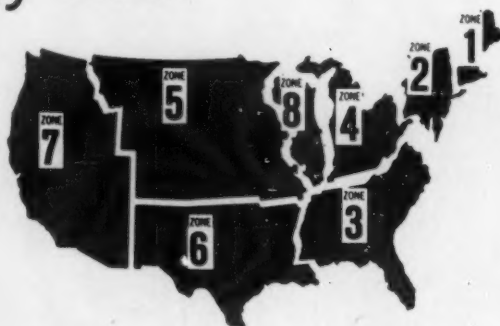
CONTAINER CORPORATION OF AMERICA

Chicago 3... and all key marketing areas

CCA

Folding Cartons, Shipping Containers, Sefton Fibre Cans, Molded Plastic Products, Point-of-Purchase Displays, Paperboard

These success stories are 25 reasons why Look Magazine is expanding to every issue



Now, only LOOK offers regional coverage to every advertiser in every issue, on a no-waiting, insertion-guaranteed basis

The 25 advertising success stories on these pages prove the power of LOOK's Magazine to sell goods and services in virtually every classification. Though marketing goals differ among these 25 advertisers, the record of success is the same.

Magazine, providing advertisers with eight sales areas available individually or in *any* combination, has turned a new marketing idea into a practical, effective reality.

Because of the tremendous demand for it, Magazine insertion can now be guaranteed in *every* LOOK issue—without waiting, without partners. For the complete, documented story on the 25 case histories cited—and many others—contact your LOOK representative. We'd like to publish *your* Magazine success story soon.

LOOK

New York — Murray Hill 8-0300 • Chicago — Central 6-8127 • Hartford — Chapel 6-5409
Minneapolis — Federal 9-0371 • Detroit — Trinity 5-2786 • Cleveland — Main 1-3698
Pittsburgh — Express 1-3036 • Philadelphia — Market 7-2587 • Atlanta — Trinity 2-9017
Dallas — Riverside 8-7409 • Los Angeles — Webster 3-8191 • San Francisco — Garfield 1-4960.

ARBOR HOMES

Received over 1,000 high-quality responses to its ad at a "cost per inquiry less than 1/2 that of our regular TV promotion."

ZONE 1

GRANT BATTERIES

"Grant advertising in LOOK has made better customers of old ones and added new dealers for us." New jobbers and dealers led to substantial sales increases.

ZONES 5, 8

MAIN LINE HOMES

Coupon ad drew over 5,000 responses which "led directly to the sale of over \$500,000 worth of homes."

ZONE 2

NATIONWIDE INSURANCE

Every report indicates campaign was "the greatest sales aid we have ever devised." Regional sales managers say LOOK ads had "terrific impact on public."

ZONES 1, 2, 3, 4, 8

STEERO BOUILLON CUBES

Sales increase was "more than double normal rate of growth" in the first month of LOOK advertising.

ZONE 7

<p>BYRD APPLES</p> <p>World's largest apple grower found "ad gave the salesman a perfect entry—and more important—a sales clincher!"</p> <p>ZONES 3, 6</p>	<p>DU BOUCHETT CORDIALS</p> <p>Jobber enthusiasm led to "heavy merchandising to the trade by all our salesmen . . . the ultimate of what we would like at all times."</p> <p>ZONES 5, 8</p>	<p>FEDERATED MUTUAL INSURANCE</p> <p>"With the power and prestige of LOOK, agents won a much higher percentage of interviews than on cold calls. Our ad dollar has never brought greater results."</p> <p>ZONES 3, 5</p>	<p>GLIDE CONTROL</p> <p>On the strength of the response to its first ad, the company is "making LOOK Magazine our number 1 advertising medium in 1960."</p> <p>ZONE 1</p>
<p>HOFFMAN TV</p> <p>Limited dealer listing ad "established Hoffman as the dominant line" in many leading furniture and department stores where it had spotty distribution previously.</p> <p>ZONES 6, 7</p>	<p>KESSLER-HUNTER DISTILLERS</p> <p>"The announcement of the Magazine campaign was literally met with cheers and enthusiastic applause from our salesmen."</p> <p>ZONE 7</p>	<p>KING STORES</p> <p>Reports enhanced prestige, impact and long-lasting effectiveness. "Sales increases were greatest where our LOOK ad appeared."</p> <p>ZONE 1</p>	<p>LESLIE SALT</p> <p>Chose LOOK to promote new high-fashion approach to selling salt. Report "ad was an important factor in sales jump."</p> <p>ZONE 7</p>
<p>MARYLAND CLUB COFFEE</p> <p>"Association with LOOK has given us an advertising 'showcase' never before possible via newspapers and spot television."</p> <p>ZONE 6</p>	<p>MICHIGAN STATE APPLE COMMISSION</p> <p>Ad "pleased growers, built brand identification, created dealer interest, and, finally, promoted the sale of our apples."</p> <p>ZONES 4, 5, 8</p>	<p>MOGEN DAVID WINES</p> <p>Advertised both nationally and regionally in LOOK. Reported: "Substantial sales increase in those markets which utilized LOOK Magazine."</p> <p>ZONES 3, 4, 5, 6, 7, 8</p>	<p>MOTHER GOLDSTEIN WINES</p> <p>Found "definite sales increases directly traceable to our Magazine ad." Ad also helped build better brand image.</p> <p>ZONE 1</p>
<p>NEW BEDFORD SEAFOOD COUNCIL</p> <p>"Chain stores, independents and wholesalers report scallop sales increases of 20% to 200% over the same period last year."</p> <p>ZONE 1</p>	<p>RESINOL</p> <p>Received "over 1,000 responses" to half-page coupon ad for medicinal skin ointment.</p> <p>ZONE 8</p>	<p>SHAW SHOES</p> <p>Agency reports "tremendous enthusiasm by distributors, salesmen and retail stores." Use of merchandising material by stores was three to four times greater than ever before.</p> <p>ZONE 4</p>	<p>SLUMBERLAND MATTRESSES</p> <p>Dealer-listing ad "paid for itself 100 times over" and markedly enhanced the prestige of the product. Follow-up ad caused record-breaking sales.</p> <p>ZONE 1</p>
<p>TASSETTE</p> <p>Hidden offer drew over 1,000 requests, many from people who said they were aware of the product before, but "didn't pay any attention to it until it appeared in LOOK."</p> <p>ZONE 1</p>	<p>VENT-AIR CONTACT LENSES</p> <p>"A sharp upswing in business" in the weeks after the magazine hit newsstands attributed to LOOK ad. Company has expanded the promotion to other LOOK Magazines.</p> <p>ZONE 3</p>	<p>VOLKSWAGEN DEALERS</p> <p>"The one ad we ran in LOOK brought in more favorable comments than any ad we have ever run."</p> <p>ZONE 1</p>	<p>ZAYRE DEPARTMENT STORES</p> <p>"Our first LOOK ad was so successful, it made us a regular advertiser." Improved employee morale helped push sales to peak levels.</p> <p>ZONE 1</p>

WORTH WRITING FOR . . .

A selection of noteworthy studies of markets, media, consumer buying trends, product and service developments that can pay off for you.

Greater Milwaukee

A study showing a 4-year trend of where families shop in relation to where they live in Greater Milwaukee. It is based on answers to a series of questions on shopping habits included in Consumer Analysis questionnaires. Figures show areas in which families shop regularly, occasionally and little or not at all. There are also trend figures on shopping at specific department stores within the preceding 30-day period. Maps show where Greater Milwaukee is growing and its community income pattern. In addition, there are data on family structure, employment and income and market characteristics. Write C. R. Conlee, Promotion Manager, Dept. SM, The Milwaukee Journal, Journal Square, Milwaukee 1, Wis.

Spot Television

A series of nine brochures giving case histories of how various advertisers have used television to accomplish different ends. In total, they describe 107 examples of different campaigns undertaken by 97 different manufacturers. Included are Procter & Gamble, General Motors, International Latex and local and regional advertisers such as Duncan Coffee Co., and Northern Pacific Railway Co. Write Thomas Means, General Manager, Promotion Services, CBS Television Spot Sales, Dept. SM, 485 Madison Ave., New York 22, N.Y.

Sales Aids from Advertisers

Have you written for these booklets or samples described in recent advertisements in Sales Management?

New Point-of-Purchase Material and Ideas in Action: Fact sheet and samples, case histories and data on telling and selling with labels and tags. Allan Hollander Co., Inc., Dept. SM, 385 Gerard Ave., New York 51, N. Y.

Delaware Valley U.S.A.: Sindlinger & Co. market report. The Philadelphia Inquirer, Dept. SM, Philadelphia, Pa.

Loose-Leaf Binders: Planning manual for aid in designing them with decorated covers. National Blank Book Co., Dept. SM, 2804, Holyoke, Mass.

Test Market: Report on Horizon Foods' test campaign in Burlington, Vt. Dept. SM, The Burlington Free Press, Burlington, Vt.



Cincinnati Shopping Centers

A report on the impact of planned shopping centers on the Metropolitan Cincinnati market. Authored by James G. Sheehan, associate professor of marketing, University of Cincinnati, it is an economic analysis and survey of changing buying patterns, and can be used by manufacturers and distributors as a guide to the retail market. The planned shopping center was slow in gaining foothold in Metropolitan Cincinnati, the author points out, but once started, it has quickly assumed major prominence. He contrasts downtown's primary retail shopping district with planned shopping cen-

Reading Audience Characteristics: New ready reference chart showing comparisons, costs per thousand and other useful information based on Sindlinger & Co. data. Dept. SM, Newsweek, 444 Madison Ave., New York 22, N.Y.

Brand and Retailer Advertising Reports: How you can get day-to-day surveillance of your competitive retailer and consumer front. The Advertising Checking Bureau, Inc., Dept. SM, 353 Park Ave. South, New York 10, N.Y.

Power Tools: How they can be used to whip up sales in sales incentive programs. Dept. SM, Black & Decker, Towson 4, Md.

Slide-Charts: Thirty-six-page booklet on how they can work for you. Includes 122 case histories. Perrygraf Corp., Dept. SM, 1500-H Madison St., Maywood, Ill.

Advertising Specialties: Full-color brochure showing hundreds of low-cost ad-

vertisers, details answers to such questions as: What are the changes in shopping behavior of consumers who incited the movement? How can merchants in planned shopping centers continue to effect successful operations after the novelty has run its course? What are the probable future developments in the shopping center movement? Write Joel Irwin, Promotion Manager, The Cincinnati Enquirer, Dept. SM, 617 Vine St., Cincinnati 1, Ohio.

Marketing and Distribution

Two booklets: One, "What's New in Selling and Credit," describes a field warehousing plan that aids manufacturers in marketing and distributing their products so that they do not incur credit risk. It covers the hazards of consignment shipments and trust receipts and details benefits of "secured distribution." The other booklet, "Inventory in Action," tells how inventories ranging from a few thousand dollars to over \$12 million in value can be handled under a new plan which furnishes field warehouse receipts as a means of credit. Write D. H. Coffman, Vice President, American Express Field Warehouse Corp., Dept. SM, 65 Broadway, New York.

Merchandising Ideas

A booklet which illustrates and describes hundreds of ways specialty flight and travel bags can be used profitably by merchandisers. It spotlights new angles on fabric specialty bags as packages, premiums, product displays, dealer loaders, soft-sell or good will giveaways, incentives, advertising vehicles or money raisers. Write Herbert Richter, Sales Manager, Natco Products Corp., Dept. SM, 1400 Post Road, Warwick, R.I.

vertising specialties such as buttons, badges, emblems, coins and jewelry. Green Duck Co., Dept. SM, 1520 W. Montana St., Chicago 14, Ill.

Gifts, Premiums, Prizes: Catalogue showing 20,000 items: furniture, radios, jewelry, luggage, hardware, electrical appliances, housewares, sports goods, automotive items. Continental Products, Inc., Dept. SM, 2030 S. Michigan Ave., Chicago 16, Ill.

Practical Specifications for Visual Aids: Suggestions that can help you save time and avoid errors in preparing slides. Dept. SM, Admaster Prints, Inc., 1168 Sixth Ave., New York, N.Y.

Package for Profit: How aerosol packaging can create sales magic for your products if they can be brushed, sprayed, squeezed or poured. Dept. SM 576, E. I. du Pont de Nemours & Co. (Inc.), "Freon" Products Division, N-2420, Wilmington 98, Del.

here's the essence of persuasive packaging



* The Answer Man! Got a question about packaging? Your **Gardner Sales Representative** has the answer—resourceful sales-powered Persuasive Packaging.



New Whether Predictor! To buy, or not to buy? **Gardner Market Research** finds the answers and the reasons why—to guide the development of your package.



Shape of Things to Come! In **Gardner Structural Design** market-oriented ideas achieve form and function. Creativity is shaped by utilitarian and sales factors.



What does an idea look like? Guided by research, **Gardner Graphic Design** applies color, type, and imagination to produce a design that changes lookers into buyers.



Nuts and Bolts! **Gardner Machine Application** adapts your production machinery to your new packaging program—efficiently and most economically!



Hypothesis meets the Housewife! Is it really a good idea? Will it sell? If it passes **Gardner Package Testing**, you'll see it—if not, back to the drawing board.

* SALESMAN WAITING FOR AN OPPORTUNITY!

The Gardner Answer Man—his brief case contains the answers to your packaging problems—**Persuasive Packaging!** People with packaging problems want answers. And the best answer to a slow-moving product is a fast-moving Gardner Representative with a fresh, new packaging idea—one that sells! ¶ Gardner Persuasive Packaging is just that—a new market-oriented packaging approach to sales. Strong, imaginative graphic and structural package design guided by the recommendations of Market Research and thoroughly checked-out by Package Testing. There are even Machine Application engineers to adapt your production machinery if you need them. ¶ All in all, the most resourceful, completely coordinated packaging program in the industry. Skeptical? Call us. Give us the opportunity to **show** you.



DIAMOND NATIONAL
THE GARDNER DIVISION
MIDDLETOWN, OHIO



PRIZE-WINNING PERSUASIVE PACKAGES

Diamond National took top honors in the 1960 Folding Carton Competition with a total of 17 awards. Of this total, 11 were captured by Gardner Persuasive Packages. Not only that, but Persuasive Packaging took awards in all 4 major judging classifications ■ 3 awards in Technical Superiority of Printing (including the top awards in lithography and gravure printing) ■ 2 awards in Superiority of Construction ■ 2 awards in New Volume Use ■ 4 awards in General Merchandising Superiority (including a top award). ¶ In all, 3 first awards and 8 merit awards — 7 of which were produced on Gardner's exciting new Diamond-Glo board. ¶ How about your packaging? Are you enjoying the sales benefits of this kind of creative packaging and printing? You can! Call us, or write for a folder containing details of all these prize-winning packages—packages that sell!



DIAMOND NATIONAL
THE GARDNER DIVISION
MIDDLETOWN, OHIO



Why S. Augstein (Sacony) Dropped Co-op

S. Augstein, 70-year-old manufacturer of the Sacony line of fashions, has used co-op advertising since 1936. This year the company decided to replace co-op with a national and nation-wide local ad campaign. Can such a company go it alone?

In an industry where complete seasonal redesign sets the frenetic pace of often desperate competition, proving success or failure several times a year, there are few stable practices on which to set undeviating faith. Such is the garment industry—headquartered along Manhattan's West Side, with manufacturing plants in many cities of the Southeast.

So, when S. Augstein & Co., Inc., (Sacony women's and children's apparel) abandoned co-operative advertising with retailers, the news was received with less vitriolic reaction than might be expected. True, the announcement did hit the front page of Women's Wear Daily in April, but the backwash from retailers has been described as "sudden silence," with just a few letters beginning to trickle in from stores handling Sacony.

S. Augstein insists that it had been studying the move since 1956, and began to reach a decision about a year ago. It was decided to make the announcement of the end of co-op at the close of the spring-summer season and the opening of the new fall line.

Sidney Augstein, third generation president of the fabric and garment manufacturing firm, stated at the time that the company had been losing control of its co-operative advertising dollars, and had been confronted by continuously rising expenses in that direction.

At the same time, Augstein announced that the company would replace its co-op program with the most extensive national and nation-wide local advertising campaign that it had ever undertaken.

Can a manufacturer get out from under a co-op program that has become unwieldy and unproductive? In answer to this question, Augstein



WE'RE GOING LOCAL...

AND DIRECTLY INTO YOUR HOME TOWN

37 NEWSPAPERS WILL CARRY OVER 56,000 LINES OF NATIONAL SACONY ADVERTISING FOR FALL 1960 AND WILL "TIE-IN" YOUR STORE AT THE LEVEL WHERE IT WILL DO YOU THE MOST GOOD. THIS TREMENDOUS CAMPAIGN WAS CONSTRUCTED TO HELP YOUR STORE SELL THE MOST SENSATIONAL FALL LINES EVER OFFERED BY

SACONY®

S. AUGSTEIN & CO., INC. 1407 BROADWAY, NEW YORK 19, N.Y.

This campaign, coupled with the most exciting lines ever imagined... the most effective package of REAL value ads... gives you one-stop volume potential for Fall.

From exclusive fabrics, to superior styling... the remarkable family of Sacony fashions.

- DRESSES
- SUITS
- SPORTSWEAR
- CHILDRENSWEAR
- FASHIONS FOR TEENS

Now being shown from coast to coast and in our New York showrooms.

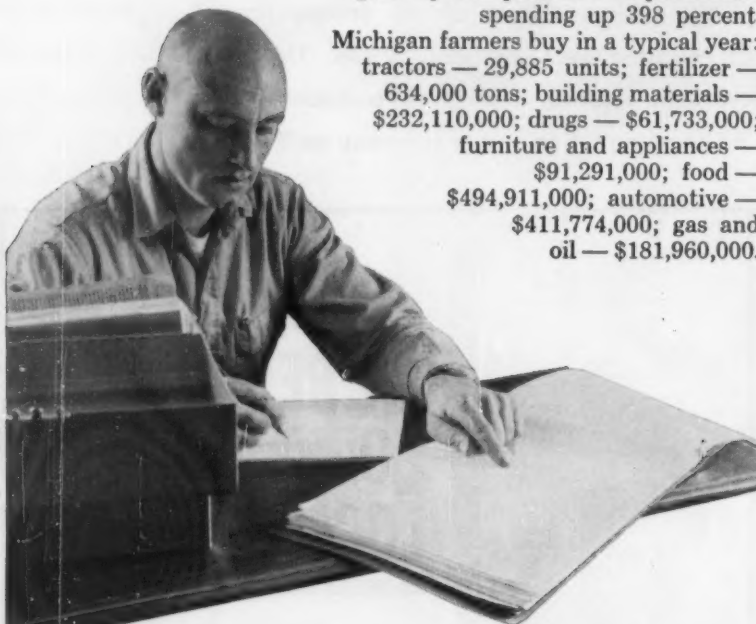
TRADE ADS—This series ran in Women's Wear Daily and other trade media to announce Sacony's new advertising policy to help retailers at the local level.

Spendable income for Michigan farm families hits \$950,600,000

Farmers are industry's biggest customers . . . big because they spend from gross income . . . not from a worker's paycheck, minus deductions (net income).

As farm operations become larger and more mechanized, purchases increase. Since 1940, capital goods outlays have gone up 582 percent . . . production spending up 398 percent.

Michigan farmers buy in a typical year:
tractors — 29,885 units; fertilizer —
634,000 tons; building materials —
\$232,110,000; drugs — \$61,733,000;
furniture and appliances —
\$91,291,000; food —
\$494,911,000; automotive —
\$411,774,000; gas and
oil — \$181,960,000.



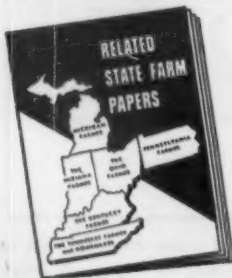
You reach him BEST in his own state farm paper

Local editing creates a climate of confidence in MICHIGAN FARMER — merging your sales story with his shopping list.

Farmers prefer MICHIGAN FARMER 2 to 1 over any other farm magazine because articles are right for their soil and their crops.

State farm papers provide a reader environment rich in interest and trust . . . an atmosphere in which your advertising sells harder . . . is more impressive . . . more persuasive . . . more convincing.

Only state farm papers support your ads with local editing. Want proof? Send for free folder.



Michigan Farmer

EAST LANSING, MICHIGAN

STRAIGHT-LINE ADVERTISING available also in —
• THE OHIO FARMER • PENNSYLVANIA FARMER
• THE INDIANA FARMER • THE KENTUCKY FARMER
• THE TENNESSEE FARMER & HOMEMAKER

says, "I would rather emphasize the positive. We feel that the retailer gets a better deal from our new and expanded advertising program than from the old co-op plan. We were the first in the industry to use co-op, starting it in 1936 because, at that time, we felt that it made sense. Now we feel that a manufacturer-controlled promotion will do a better job for the manufacturer and the retailer. We know Sacony better than anyone, and can do a better job of informing consumers on Sacony by doing it directly.

S. Augstein feels that the manufacturer does not have complete control of its advertising dollars with co-op and suffers losses in continuity and subsequently in brand image.

S. Augstein based its conclusion about co-op on this reasoning: The great majority of its retailers—the smaller stores—were not in a position to benefit from the program. Therefore, "More retailers, small and large, today can benefit to a greater degree from a manufacturer's advertising program that would center on national advertising, local advertising fully paid for and controlled by the manufacturer, plus solid support from the manufacturer in regard to sales aids."

As to the point of view that co-op is an institution in retailer-relations that must not be altered, Augstein says: "Most retailers do not hang their hats on advertising—it's the merchandise that must sell."

Herbert J. Goldstein, Augstein's director of advertising and sales promotion, says it this way: "Co-op maintains a fictional loyalty between the

House of Sacony

In apparel manufacturing, when a firm reaches its tenth anniversary it calls for a celebration. Many never get that far and considerably fewer last to their twenty-fifth. S. Augstein & Company, Inc., passed the 70-year mark this June.

Since the company has been family-owned for three generations, it does not publish sales figures or release the size of its advertising budget. However, it does admit that a company doing \$1 million a year in this business is an important factor, and that one doing \$10 million is a member of a select handful. S. Augstein is well into the top 5% of the industry in volume.



Blueprints like these...
moved a complete division
from New York to Barberton...



and put things quickly into place...item by item!



America's Most Recommended Mover

● Moving a complete division (office furniture and equipment . . . employee's household goods, too) is a pretty large order.

But, Mayflower takes these kinds of jobs in stride. They have the special equipment and the trained movers to handle any size company move smoothly, efficiently and safely.

Babcock & Wilcox selected Mayflower. Every phase of the move was blueprinted to speed placement of furniture and equipment in the new Barberton, Ohio plant. And, to eliminate the least interruption in business, the moving of all six floors of furniture was accomplished in three successive weekend shipments . . . using 61 Mayflower vans.

Whether you want to move an office or a complete headquarters—a Mayflower "blueprint move" saves time and money. Your agent will help you plan it right!

AERO MAYFLOWER TRANSIT COMPANY, INC. • INDIANAPOLIS, INDIANA

Among farmers with incomes of \$10,000 and up, what farm publication was ranked most helpful?

• Important basic facts revealed in new McCann-Erickson Study. READY SOON!

MIDWEST UNIT *Farm Papers*



"14 TESTED WAYS TO BUILD SALES AND CUT YOUR SALES COST"

- 1 Get your product into original specifications.
- 2 Build a cream prospect list for salesmen.
- 3 Save salesmen's time for selling.
- 4 Close orders before competition develops.
- 5 Make your sales story easy to grasp and remember.
- 6 Reach key buying influences with your story.
- 7 Inject your product into more buying conversations.
- 8 Lead dealer salesmen to favor your product.
- 9 Be recommended by salesmen selling related products.
- 10 Funnel demand to standard sizes and styles.
- 11 Sell related equipment with primary purchase.
- 12 Make it easy for prospects to sell themselves.
- 13 Inspire confidence in your salesmen.
- 14 Keep your product sold by assuring proper use.

All of these things can be done by a single Perrygraf Slide-Chart. Thousands can be put to work for the price of a trade paper advertisement. Complete design and manufacture will be done for you by Perrygraf Corporation. **SEND FOR FREE BOOKLET TODAY.**

PERRYGRAF

slide-charts

product facts
at the fingertips

150-L S. Barrington Ave., Los Angeles 49, Calif.
1500-L Madison St., Maywood, Illinois



manufacturer and the store. The great majority of retailers are less interested in co-op than most manufacturers think. Of course, this is more true of the small retailer who doesn't advertise to any great extent anyway."

Retailer reactions to the S. Augstein announcement on dropping co-op seem to bear out the company's point of view. Of the few letters of protest received by the company, the dominant attitude was "Does this mean US?" S. Augstein assures them that its new policy is for everyone, just as its old co-op policy was 4% of volume for everyone.

Oddly, at least one of the retailers who was concerned about the Augstein decision on co-op actually increased its orders for the new fall line of Sacony fashions over last year's orders.

"Our business is up this year," says Augstein. "Why? Because we have a very strong fall line—one of the strongest we've ever had. Couple this with our advertising program, which is to pre-sell the Sacony line to the consumer, and we think we're doing more than ever to help the retailer."

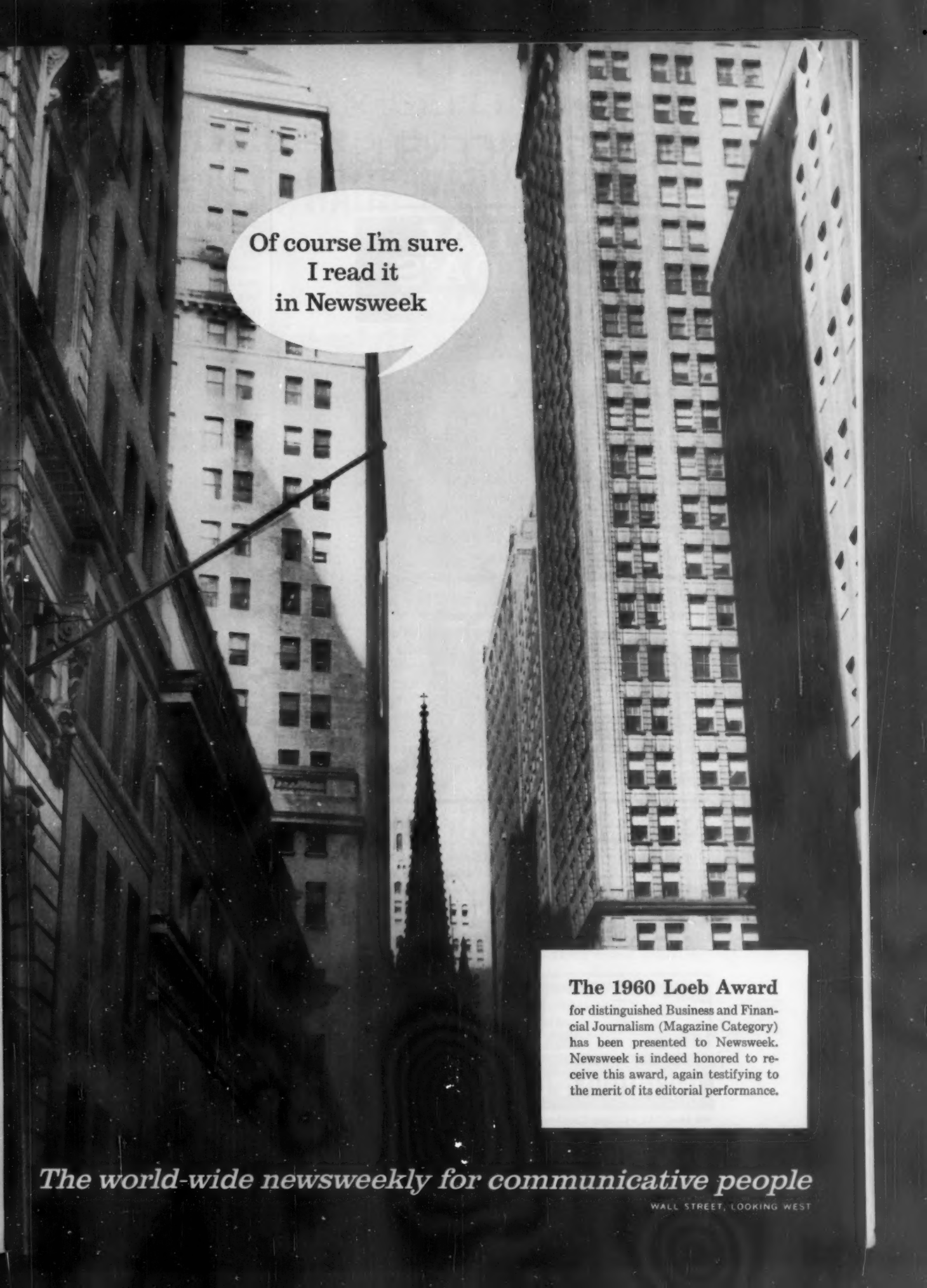
► One retailer is said to have stated, after he had heard that Sacony would replace co-op with a heavy national and local program, "Good. That's what you should be doing. You build up the Sacony name and help create demand for the line. I'll take care of building my own reputation."

Among other manufacturers there has been discreet questioning of S. Augstein representatives: "How is it working out?" And, "Do you think they'll get away with it?"

In answer, the company points to the Sacony line, which is selling at a faster rate this season than ever—faster than most of the industry, the company states.

S. Augstein's new advertising, public relations, sales promotion program represents an exceptional approach to integrated marketing for a garment manufacturer. The usual method for companies in this industry (often one-man-controlled companies) is for the president to tell the ad agency that he'd like to run this ad in, say, "Life, Look, Vogue, Harper's and maybe the Times Magazine on Sunday." This method is what passes for media selection and market coverage.

The S. Augstein plan is to have an organized and well-timed program that achieves marketing goals. National ads will appear in leading magazines (beginning in August with Mademoiselle). An announcement of what the new campaign is expected to do for retailers is running in Women's Wear Daily and other trade



Of course I'm sure.
I read it
in Newsweek

The 1960 Loeb Award

for distinguished Business and Financial Journalism (Magazine Category) has been presented to Newsweek. Newsweek is indeed honored to receive this award, again testifying to the merit of its editorial performance.

The world-wide newsweekly for communicative people

WALL STREET, LOOKING WEST

60 CENSUS GIVES

CENTRAL FLORIDA'S 10 COUNTY AREA

1 MILLION PEOPLE

In FIVE of these counties, where there are ONE-HALF MILLION people, the Orlando Sentinel-Star has SIX TIMES the combined circulation of THREE competing newspapers from Tampa, Jacksonville and Miami. These splendid metropolitan papers are:

- The Miami Herald
- The Jacksonville Times-Union
- The Tampa Tribune

How is it possible for the Orlando Sentinel-Star to out-penetrate bigger papers in this rich area? We print a good newspaper first, then add to it FIVE PINK ZONE SUPPLEMENTS (4 to 40 pages each), five days a week for five different areas of Central Florida. We maintain 14 bureaus and actually print more pages than any other Florida newspaper. (Source: Media Records) Please note: We print these Pink Zone Supplements FIVE days a week . . . not one or two days like most metropolitan newspapers . . . but we give our readers the news and pictures of their individual communities regularly—almost daily!

As we have SIX times the combined daily circulation of Jacksonville, Miami and Tampa papers in our FIVE counties, we have FOUR AND ONE-HALF times the combined circulation on Sundays of Parade, This Week and Family Weekly Magazine. Oh yes, we have a Sunday Magazine but it is edited right here at home, not in New York—therefore its impact is greater. Its 40 to 60 pages weekly are printed in bright, full color on our new million \$ color press.



Orlando's Metropolitan Area of 317,412 is fastest-growing of ALL says U.S. Census

Orlando Sentinel-Star

We lead ALL in Cape Canaveral . . . "Gateway to the Moon"

media. These ads state, "We're going local . . . and directly into your home town." They explain that a nationwide local ad campaign in newspapers in 37 cities across the nation gives emphasis at the point of distribution. (It has not yet been decided whether local retailers will be mentioned in these ads or not. There are reasons "for" and "against" retailers' names in ads. Large retailers sometimes object to being listed with small retailers. The company does not like to list just small retailers when the biggest and most exclusive store in town may also sell Sacony apparel.)

The company's new ad program will cost three times as much as the ad expenditure for the year before. S. Augstein has a past of widely varying ad budgets, and has often used national advertising during these past flings. But it hasn't recently used national ads or done any in-store sales training.

► The new program calls for a return to store sales aids and training, as well as an almost unheard of "luxury" for a marketing program in this industry—a public relations agency—retained to keep a steady flow of fashion news to editorial departments and fashion editors of newspapers in cities where Sacony is distributed.

The theme of the Sacony ads will emphasize the Sacony "Family of Fashions"—women's suits, dresses and sportswear; children's and teens' wear; and foundation garments. At the same time the various exclusive brand names under the Sacony label will be featured strongly—such names as the firm's own Ciella fabric and Palm Beach fabric, in which Sacony has had an exclusive for women's and children's wear for 25 years.

S. Augstein has promoted the name Sacony since 1908 when this name for its fabrics was coined from the first initials of the company name, S. Augstein Company of New York. Interestingly, in a Supreme Court decision many years ago, S. Augstein won the right to use the name Sacony over the legal objections of the Standard Oil Company of New York (Socony), which sought to prevent it.

Much of the company's tradition-breaking approach to marketing in the garment industry comes from the firm's 38-year-old president who has had a thorough grounding in selling. He states, "In the fashion business, continuity is an essential thing [S. Augstein has just reached 70 years], but the retailer can't merchandise longevity. As a matter of fact, the longer it is in business the more a firm is expected to offer its customers." ♦

KP

DO A 5-YEAR SELLING JOB TO BUILDERS IN JUST 5 DAYS at the **NEXT NAHB CONVENTION**

Now under one roof!

new

McCormick Place

EXPOSITION CENTER

Chicago, Illinois

JAN. 29-FEB. 2, 1961

Now, for the first time in over 10 years, the NAHB Convention—official trade show of the home building industry—will be held under one roof, in Chicago's beautiful new McCormick Place exposition center. It's the most glamorous and desirable exhibit area in all America.

This fact alone is bound to attract a record number of prospects for your products. In addition, there'll be more space . . . improved exhibit facilities . . . continuous, free, rapid-service transportation. The show will be heavily promoted, assuring record attendance. (Last January, 32,158 builders, architects, lumber and building material dealers, etc. were registered.) All told, it presents a tremendous sales opportunity for you—a chance

to "sell" your entire group of builder-customers at one time—a job that would normally take years.

To make sure your product is represented in the expanding building industry's most important show . . .

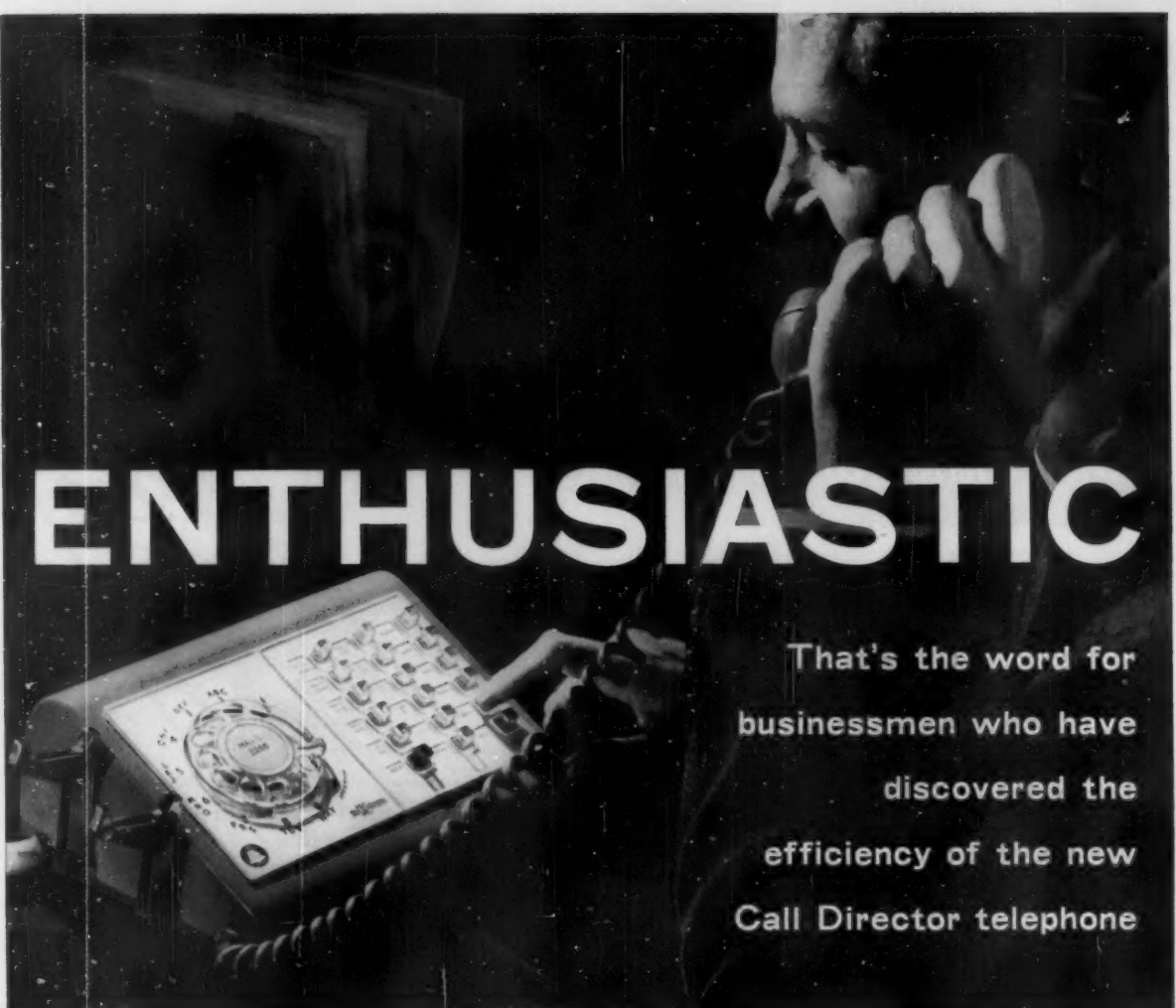
RUSH YOUR RESERVATION . . . and send for Exhibit Brochure

showing details of floor diagram and rates of display space. Assignment of space starts August 15 on all applications received by August 13. Write, wire, or phone Paul S. Van Auken, Convention & Exposition Director, NAHB, 140 S. Dearborn St., Chicago 3 (phone RA 6-1640).



National Association of Home Builders

Sales Management July 15, 1960 93



ENTHUSIASTIC

That's the word for
businessmen who have
discovered the
efficiency of the new
Call Director telephone



**Henry J. Blackford, Jr., Branch Mgr.,
Alex Brown and Sons, Investment Securities,
Spartanburg, South Carolina:**

"For years, we have been waiting for telephone equipment like the Call Director. We have it now—and I can tell you it's doing a fine job for us. Our salesmen can take calls on any of our eleven lines and handle a lot *more* calls. We're really enthusiastic about the new service, and so are our customers."



**R. L. Getten, Midway Loan Company,
St. Paul, Minnesota:**

"We were outgrowing our key-box facilities, but still weren't big enough for a switchboard. Your proposal of Call Director telephones with intercom really solved our problem. Now we're giving customers the service they deserve—and can expand as needed by simply using the Call Director's extra pushbuttons. Congratulations on the Call Director. It's terrific!"

Available in 18-button and 30-button models—in gray, green or beige.



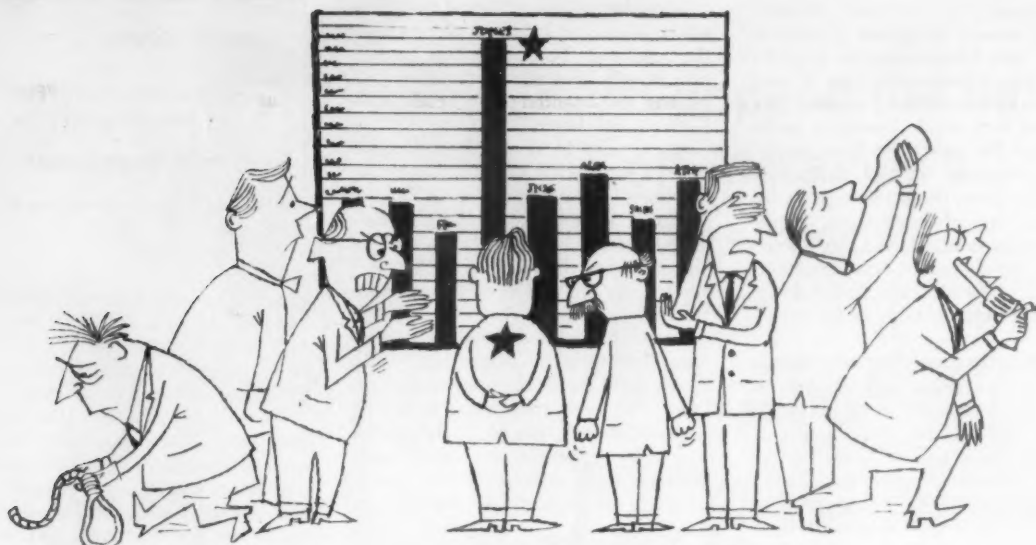
**Ray K. Deems, President, Friedman-Deems
and Associates, Columbus, Ohio:**

"We do 90% of our real estate business by telephone, and our new Call Director phones and intercom system have really streamlined our operations. We now handle more accounts than ever, and do it faster—without adding new people or office space. We figure the new system saves us \$225-plus per month."

The Call Director telephone with Bell System intercom could give *your* business a boost, too. Why not call your Bell Telephone business office for details? A representative will visit you at your convenience. No obligation, of course.

BELL TELEPHONE SYSTEM





'Helpful' Prods Can Hinder Salesmen

If such popular spurs for salesmen as "Top Ten" lists . . . "Chicago vs. New York" bouts . . . and "Start an hour earlier!" memos are so great — why do so many top salesmen decry them?

By EUGENE WHITMORE

There are probably as many free theories and systems to spur salesmen into more frenzied, more "profitable" activity as there are anxious theorists to dream them up. But a practical look at some of these theories and systems reveals that, more often than not, if they actually do more than steal precious time from the advice-ridden salesman, what they do could better be done without.

Most of the regulars of such "sure-fire" inspirational ideas showed up in a recent analysis of material and schemes to which salesmen were subjected in 100 representative selling organizations. By and large, they were found to "inspire" one-shot tactics, inertia—and jitters. But happily, there were many salesmen, found usually among the biggest producers, who were able to ignore the whole thing. Such men often turned out to be using selling techniques almost exactly opposite to those suggested.

Progressive sales managers recognize many of the traditional sales prods as poor substitutes for real management leadership, and are ready to

scrap them. Here's a sum-up of their feelings about five of the old standbys.

1. Publicizing sales standings.

Publish a list of salesmen, with the name of the highest producer on top, and every other man in the organization is embarrassed; even the top man starts worrying about where his name will be in the following week's tabulation.

Divide the lists of salesmen and their standings into groups such as "Top Ten" and "Trailing Twenty," and all but the leaders are held up to ridicule and embarrassment—and subject to considerable frustration. An atmosphere of tension is created in the entire organization, and tense salesmen are seldom good salesmen.

The old idea is that a man whose name is way down on any list is immediately motivated to stir himself, work harder, make more calls and climb right up to the top. While this may be a splendid theory, it frequently fails to work in practice. Instead of stirring a man to greater

activity the practice often serves to damage his pride and self-confidence to the point where he is no longer capable of a sound job of selling.

Any salesman who goes into his territory minus a considerable portion of his self-confidence is unable to do his best work. No man who has any pride wants to admit that he really belongs at some low level on the weekly production record. Consequently, he quickly builds up his defenses. He soon comes around to the belief that something is wrong with his territory; he finds a dozen reasons or conditions which prevent him from moving into the top brackets.

In a recent case in which a very famous company began publishing sales standings of top men, at least three or four of the top men quickly acquired severe cases of jitters. The Chicago man, who topped the first list, began worrying because he knew that New York, Detroit or some other city might produce the leader any week.

He wrote his sales manager: "I do not like to see my name on this list

even though I am top man momentarily. I cannot help but remember that our San Francisco man is probably a better salesman than I am; but as we all know, San Francisco has had three very weak managers since 1950. And the man there now simply cannot overcome all the difficulties created by these three managers who went sour one after another. Every time I see my name at the top I wonder how my friend in San Francisco must feel to see his name so far down the list, through no fault of his own."

2. Setting up competing area teams.

Here is a typical occurrence in many sales organizations. Pittsburgh salesmen pitted against Cleveland men — St. Louis against Kansas City, Memphis against Birmingham, Dallas vs. Houston — and so on.

Some bright young house magazine editor is assigned the job of reporting the results of the contest and for several months the sales organization is treated to headlines such as "K.C. Wallops St. Louis," or "Des Moines Slams Omaha to Win in Final Week." Many such childish or collegiate headlines are supposed to keep the salesmen in a great pitch of excitement, rushing hither and yon, snatching off orders here, there and everywhere, like hungry crows in a cornfield.

Some of America's most thoughtful sales executives no longer have faith in any such artificial excitement; they know full well that modern selling requires a well planned, thoughtful and calm approach to every sales problem. Synthetic enthusiasm, prodded by hysterical attempts to

COMING SOON

"Planning Your Next
New Product"

Sales Management

turn selling into some collegiate sport, often backfires to the point where the best men, who are turning in a consistently good territorial management job, ignore the whole campaign.

In any organization the top men are, more often than not, the men with a considerable background of customer service, of patient sales building and intimate knowledge of conditions and customers. These men have put in years building confidence in themselves, in the product and the company. Their high sales standing is the result of long, patient labor and intelligent service to customers.

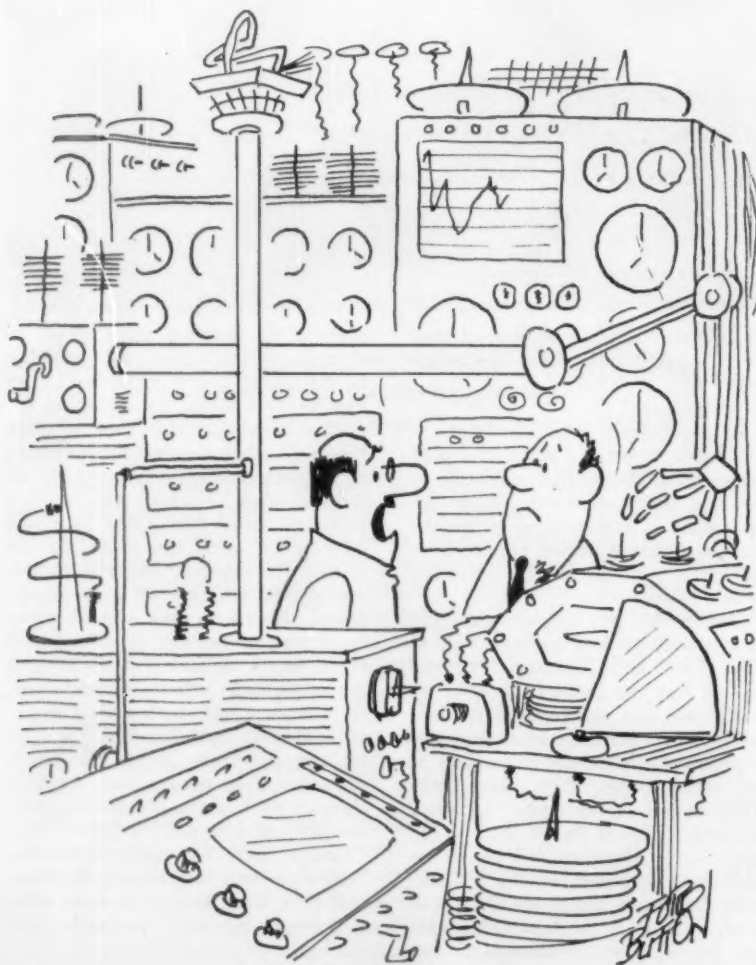
They may be pitted against younger men; they may be put into competition with men who are laboring under some handicap which is no fault of their own. Any company is likely to have undeveloped or sick territories; yet in many cases team competitions make no allowance for conditions over which the salesmen have no control. The end result is a group of embarrassed, disgruntled and heart-sick salesmen.

3. Basing contests on volume alone.

Using total sales volume as the sole basis of scoring for contests frequently sends an entire sales organization on a drive for one-shot business. This is not blanket criticism of sales contests. They may have a place in any well-run sales organization; but, in some cases, contest planning and management has actually degenerated into a rat-race in which the wildest and canniest rats always win, leaving the man who sells with one eye on the future and repeat orders far behind.

Salesmen have been known to make false promises, to urge buying, with an implied or actual promise to "take the stuff off your hands," after the contest is over. Some weaker salesmen are tempted to stuff orders, to misrepresent or to sell all sorts of undesirable customers, just to make a contest showing.

"We abandoned contests entirely," writes one sales executive, "because we are convinced that no salesman can do a constructive job unless he enjoys peace of mind. And we do not feel that any salesman trying to



"What do you mean—it didn't come with an eraser!"



It popped the lid
off Marathon's
sales record...



A first-rate premium that people
enjoy because it takes color slides,
black-and-white or color snapshots.
Camera, \$11.50. Regular outfit, \$17.50.
Deluxe outfit (as illustrated), \$25.95.

...The ever-popular BROWNIE STARFLEX Deluxe Outfit

The Ohio Oil Company and its many dealers agree their ¼-Million-Dollar Marathon SMILE-maker Sweepstakes was a smash hit... "with sales of Marathon gasolines reaching the highest level of any month in our 35 years of marketing."

Playing a good part in the success was the advertising department's astute choice of the Brownie Starflex Deluxe Outfit as a key premium and sales builder.

The universal appeal of Kodak cameras makes them a first-choice sales incentive, employee award, or business gift. There is one to fit every need and budget, with values from \$4.25 to \$850.

Be sure to include at least one Kodak camera in your next promotion. Mail coupon for details.

"Kodak" and "Brownie" are trademarks
Prices are list and subject to change without notice.

EASTMAN KODAK COMPANY, Rochester 4, N. Y.

SEE KODAK'S "ED SULLIVAN SHOW" AND "ADVENTURES OF THE NELSON FAMILY"

EASTMAN KODAK COMPANY
Premium Sales Office, Rochester 4, N. Y.

222-7

Gentlemen: Please send me more details on
promotion opportunities with Kodak premiums.

Name _____

Company _____

Position _____

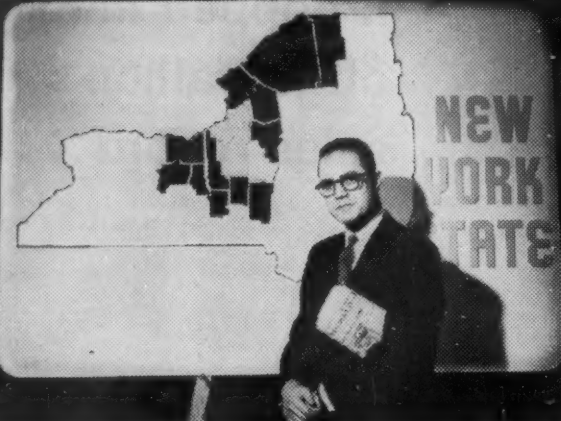
Street _____

City _____

Zone _____ State _____

Kodak
TRADEMARK

SELLING or TESTING?



Michael H. Levy, President, Standard Security Life Insurance Co. of New York

Whatever your primary mission, when you want to really influence the actions of the 1,474,300 people who make up this *BIG* Syracuse Market . . . you have to advertise in the *SYRACUSE NEWS-PAPERS*.

STANDARD SECURITY LIFE INSURANCE COMPANY OF NEW YORK recently wanted to test a new policy. It wanted to sell, too, just as effectively as possible. After a study of potential markets, STANDARD SECURITY picked Syracuse . . . the whole Syracuse Market . . . all 15 counties of it.

It's big and rich. And each day there are 229,181* available salesmen working the territory for you; (this is territory these salesmen know and understand and influence.)

These are among the reasons why 49 major advertisers selected the Syracuse Market for testing last year alone.

Want to sell this market? Use *SYRACUSE NEWS-PAPERS*. No other combination of media in this area delivers comparable coverage at a comparable cost. Get all the details from *MOLONEY, REGAN & SCHMITT*.

*The combined circulation of the Syracuse newspapers.

FULL COLOR AVAILABLE—
Daily & Sunday



Results of
Selling Research Inc.
latest Test
Market Survey



*SRDS Consumer
Market Data

the SYRACUSE NEWSPAPERS

HERALD JOURNAL & HERALD-AMERICAN
Evening Sunday

THE POST-STANDARD
Morning & Sunday

Represented Nationally by *MOLONEY, REGAN & SCHMITT*

CIRCULATION: Combined Daily 229,181 • Sunday Herald-American 202,737 • Sunday Post-Standard 103,496

win a contest prize can enjoy any peace of mind. His whole thought is on winning, not on building customers for the company."

While there may be frequent cases in which contests are justified, it requires mighty careful planning to set up contest rules which enable only the men who are doing a constructive, long-range sales job to win.

Another sales executive reports: "We have used contests, but only to encourage men to compete with themselves, and not to compete with each other. We feel that the only way for any salesman to show consistent increases is to rid himself of the faults which are hampering sales. This may mean that the salesman must compete with his all too natural tendency to neglect certain phases of his work, or to put in only four days a week, or to stop work when he thinks he has a safe volume booked for the week.

"Where a contest tends to help men compete with their own faults—and almost every salesman knows his own faults—we are for it. But we will never use contests to set one salesman against another."

4. Urging salesmen to make more calls.

The old theory that the more calls a salesman makes the more he will sell is still cherished by many sales executives. For too long some sales managers have urged men to "get in—get the order—get out." We doubt very seriously if this is the way that our best salesmen reach the top. The hurry-up call may be quite sufficient for truck salesmen who rush in with an armload of bread, or the day's supply of milk; but for other lines which require more careful merchandising it is usually infinitely better to stay long enough to do a complete selling job, to understand the customer's problems, to win his friendship and to pave the way for the next order.

In a study of some hundreds of salesmen's magazines, sales bulletins and sales letters, we found this tendency to urge more calls, to urge more cold turkey calls, to demand evening calls, Saturday calls, earlier starts and later quitting times often stressed above all other management demands.

Some of these demands are less than reasonable. We would not dare pester other employees to do the things we expect of salesmen. "Start an hour earlier," is a frequent admonition to salesmen. Try this on for size with a punch press operator, or a stenographer. One salesman's answer to the plea was, "None of my customers would be at their offices an hour earlier than my usual first call."

"Resolve to make more calls—begin tomorrow," is a headline borrowed from a current "sales booster magazine" being sent to some 400 salesmen. Although the top men in this organization actually make the fewest calls, nevertheless the sales magazine editor echoes the ancient refrain—make more calls.

Continuous study of the books written for salesmen, the material mailed to salesmen, offers considerable evidence that much of the advice hurled at them is both impractical and lacking in respect for professional selling. What does emerge is that the writer, however well intentioned, simply doesn't know selling.

Through a vast amount of the literature on salesmanship we find the thread of slick trickery, the same old "get in—get the order—get out" technique discarded as far back as 40 years ago by such stalwart merchandisers as Coca-Cola and Hershey Chocolate Co., and others who realize that the salesman most likely to succeed is the man whose orders today pave the way to his welcome tomorrow.

Some of the typical high-pressure sales tactics advocated by hurry-up sales enthusiasts are liable to force salesmen into all sorts of compromising situations, such as overloading customers with merchandise which will go stale on shelves or be returned later for credit.

5. Emphasizing paper work.

How much of the paper work that falls to salesmen might be done at less expense by clerical employees at branch or home offices? How much reporting is done needlessly? Are salesmen's reports carefully studied and acted upon promptly? Are too many people empowered to write, and demand answers from salesmen? The mail load of some salesmen is frequently as heavy as that of home office men with secretaries.

Minimizing the paper work load of salesmen is frequently a sound method of increasing a salesman's selling time. For this reason alone, salesmen should never be required to make any but the most vitally necessary reports; nor should they be required to answer mail which is not vital.

Repeated studies of the work habits of top salesmen usually reveal that none of them act on the constant advice handed down by house magazine editors, writers of sales bulletins; nor do they follow the suggestions in the contest promotional literature. This is not to say that the best producers are rebels, or that they defy home office suggestions or instruc-

tions. But it does mean, in many cases, that the home office is cherishing old ideas of salesmanship, and is allowing inexperienced staff members, or outsiders, to flood salesmen with advice of doubtful merit. Experienced salesmen deserve more than chaff.

Good salesmen must have pride in their work, confidence in their ability, and faith in their leadership. Yet all these qualities are constantly being eroded by some of sales management's oldest—and faultiest—techniques. ♦

What do farmers in
Income Classes I-IV say about
farm publications?

• Important basic facts revealed in
new McCann-Erickson Study. READY SOON!

MIDWEST UNIT *Farm Papers*

FREE IDEA KIT

Visual
Sales Aids!

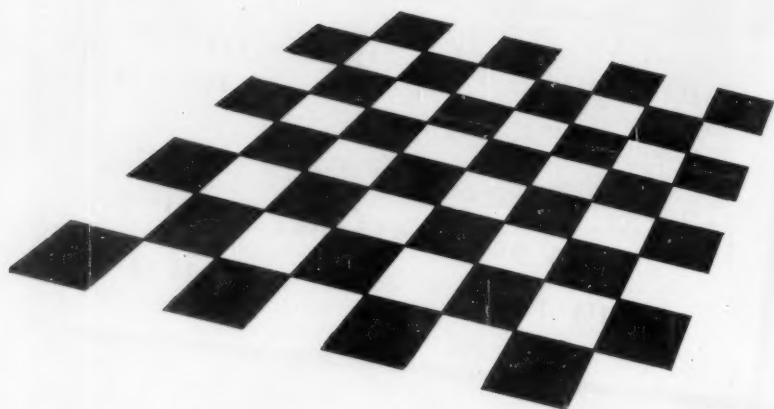
Visual
Ideas!

"SELL
ON
SIGHT"

For new ideas
in visual selling aids,
stereo, viewers,
filmstrips and
slides write to:

Taylor
Merchant

dept. z
the taylor-merchant corporation
48 west 48th street, new york 36, n. y.
plaza 7-7700



Patient

To be patient is more than a virtue, it's a necessity in business, human relations and certainly in editing a business magazine. Without patience to see the right man, search for the facts, dig for the story and the patience to write it well, there is no service done to the industry or business the publication serves.

At Bill Brothers, too, patience is more than a virtue—it's a publishing philosophy and an editorial requirement.

BILL BROTHERS PUBLICATIONS

Fast Food • Floor Covering Profits • Modern Tire Dealer • Plastics Technology
Premium Practice • Rubber World • Sales Management • Sales Meetings



EVERYONE BENEFITS from Rockwell's school for customers. At a demonstration such as this, customers get valuable in-

formation on valve maintenance; salesman gets training in product features, makes important contacts for the future.

Customer Training For 5-Way Sales Attack

By HERMAN GOTTWALD

Assistant Vice President, Product Manager—
Valve Products, Rockwell Manufacturing Co.

We started customer training schools with the limited objective of assuring proper use of our product—but they have surprised us by also proving to be remarkably versatile sales tools. We use the schools to achieve five distinct sales goals: They retrain and sharpen the skills of our experienced salesmen; provide an excellent training ground for new salesmen; build mailing lists; uncover complaints about operation that could cause trouble if left unsolved, and provide introductions to people our salesmen would not otherwise meet.

Training schools of this sort are not new, but we feel ours accomplish

more than many others even attempt. Some firms use schools to introduce new products. Our product, the lubricated plug valve, has been on the market for over forty years. Our schools simply keep customers informed and prevent normal personnel turnover from causing maintenance problems.

The school program was well received four years ago when we introduced it to the customers; and it has operated smoothly from the beginning. But at the onset of the 1958 recession we were faced with a sales dilemma and had to take a long, close look at the program. We were going

to have to slash costs all along the line, but, at the same time, we needed to develop an aggressive sales campaign with salesmen who had inevitably become less aggressive during years of prosperity. Upon scrutinizing the school program we found that it was the ideal solution to our problem. Rather than being a candidate for reduction or elimination to save expense, it could actually improve our sales effectiveness while allowing economies elsewhere.

Before describing how the schools were modified to accomplish this, let's first look at the original program and see what raw material we had to work with.

Though our valves are relatively uncomplicated, lack of knowledge of how to keep them operating properly or indifference to their maintenance after they've been around for years can sometimes cause a customer trouble. These valves can amount to an appreciable share of the cost of such an installation as a refinery or a pipeline terminal, but they are sometimes taken for granted. Our first objective in starting the schools was to teach the users proper maintenance techniques so the valves would give the years of dependable service we built into them.

We established a school program with five separate types of courses, each for a different class of audience. We have courses for production and gasoline pipeline plants, gas utilities,

refinery and chemical plants, pipeline personnel and salesmen of our own distributors.

The classes are given at customers' plants with anywhere from ten to forty operating, maintenance and supervisory personnel in attendance. The men are taken away from their jobs for a matter of several hours for a class session that generally includes a movie, lecture on valve characteristics and a demonstration of how to lubricate the valve properly. The importance of proper lubrication and maintenance is emphasized and the audience is encouraged to ask ques-

tions relating to their own particular valve problems.

Since we do take men away from their jobs for some length of time, we occasionally run into opposition in our first attempts to set up a school at a plant facility. One of our salesmen was required to give a class session for a refinery's management group before they would give permission to take the men's time. However, the managers were so impressed that they gave immediate permission for the program; and since that time many additional courses have been given for the same company.

New program helps experienced salesmen. Just as operating personnel may take our product for granted after seeing it operate most of their working life, our salesmen can become jaded after many years of repeating the same product advantages. As a first step to a more aggressive sales campaign, we decided to make each salesman responsible for all classes to be given in his territory. We felt sure this would shake him loose from his standard methods and force him to develop new approaches to the selling situation. Many salesmen hammer on the points that seem to produce the best results, to the detriment of other equally important subjects. We felt that running the schools would give each salesman an opportunity to hear the whole gamut of objections and expand his thinking on all product characteristics. The results along this line have been highly gratifying both to salesmen and to sales management.

Salesmen have abandoned operating on one cylinder with one product story. To describe the product to various classes and to answer queries, they must re-study product features from every angle. Many times they discover new techniques and new sales approaches for their subsequent calls.

Provides training ground for new salesmen. Training of new salesmen was the second advantage the new school program offered us. We reasoned that, instead of sending only experienced salesmen to give these courses, we could send new men along as assistants, eliminating the expense of the elaborate sales training schools we had been maintaining. This system has proved to be highly effective.

While giving a lecture or demonstration under the watchful eye of a senior salesman, the new salesman learns the product features thoroughly. He must repeat and repeat the sales story to live audiences; answer questions, and explain operating characteristics to many types of people. If he makes mistakes there is no harm done because the experienced salesman can set the record straight immediately.

Since we give five different types of class sessions, the new man must learn about five different industries in order to do an effective job. The product is the same in all cases, but the applications change and emphasis shifts from one feature to another, depending on the audience. Also, in courses to distributor salesmen, he must explain to others how to explain the product features. Since any teacher must do more homework than



see, buy, enjoy, buy again

London Dock fine smoking tobacco goes to market in a distinctive and completely functional lithographed metal container custom-styled and manufactured by J. L. Clark. In this container the product acquires its "sales personality"—the individuality so essential in mass market selling.

Clark can help solve *your* particular container problems and assure your products strong marketing impact... continued brand identification, year after year.

Your inquiry, outlining your specific container requirements or problems, will receive our prompt attention.



J. L. CLARK

J. L. Clark Manufacturing Company
Rockford, Illinois; Lancaster, Pennsylvania;
Chrysler Building, New York, N. Y.

the pupil in order to teach a subject, the salesman learns his product very quickly in this training ground.

This experience could not be gained in any other manner. It has proved to be so effective that we still see no need for re-establishment of other types of sales training schools.

Builds mailing lists. A major problem of the sales department has always been developing good mailing lists for company literature. The schools have provided an excellent opportunity to build these lists at little expense. By the simple expedient of passing a registration book through the audience and offering a valve maintenance booklet, we can obtain a continually expanding mailing list of just the people we want to reach. We no longer need to broadcast mailings over hundreds of people in hopes of finding a few users, and we no longer need to build these mailing lists by other more costly methods.

Solves customer problems. Our lecturers are often challenged to solve seemingly impossible problems. In fact we instruct them to maneuver for challenges. These problems generally deal with a difficult service flow or with why our valve sticks on this or that type of service. The problems are often the result of incomplete knowledge of the valve characteristics, and our men can often provide the solution right on the spot—a dramatic demonstration of just what the product can do. These demonstrations can be worth many times the cost of the school session since they make our point so convincingly.

The question periods sometimes uncover a hard core of opposition to our product in the person of a foreman or maintenance man who "knows" a competitive product will work better. He may have developed this attitude through poor experience with our product, due to lack of understanding of it, or simply because he was used to working with another type at his last job. Whatever the case, it is helpful for the salesman to find out who must be sold more thoroughly. With this knowledge he can be more productive on subsequent calls. And he may be able to sell the right people to prevent this prejudice from spreading.

Provides helpful introductions. Besides meeting those who oppose the product, the salesman can also meet a large number of the operating personnel who need to learn more about it. Many of these are people he couldn't possibly have time to go to in the course of an ordinary sales call.

Since the lecturer is a salesman, we feel the schools multiply his efforts to meet the people he must reach with the product story.

Having made a contact at a class session, he has the opportunity to call back on those who are most likely to influence future decisions. His prospect list expands with each class and he will not lack for contacts when he wants them.

From the beginning we knew that this was a valuable service to the customer, but we were not sure it would be appreciated. Since we take

men away from their jobs, there was a danger that the value of the training would be overlooked in considerations of what the lost time cost. This has not proved to be the case. We have met some initial opposition, but once put into operation, the schools have been appreciated in nearly all plants. For instance, one large eastern chemical producer that has been scheduling classes for several years recently invited a salesman to give a series of thirty class sessions on successive weeks. A large oil producer and distributor was so impressed with the programs that it asked our sales-

Pave the Way with



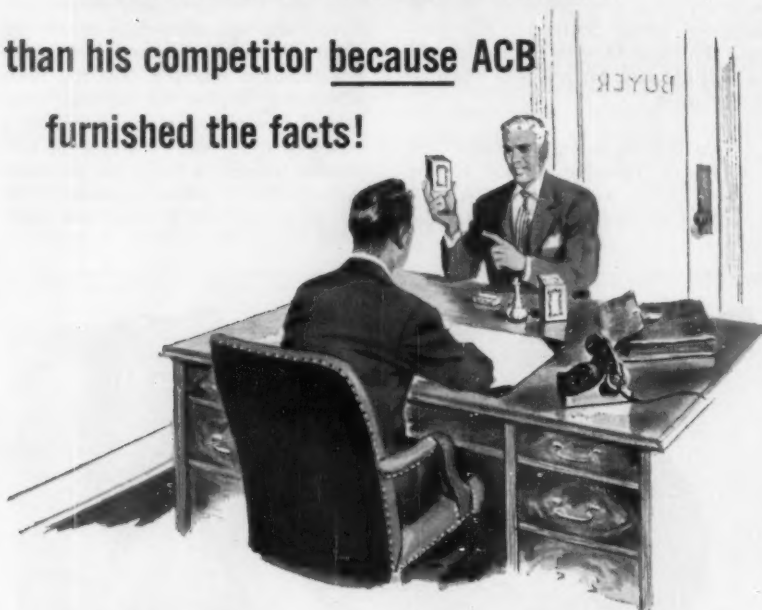
FREE—
Glass Calendar
Tray and
20-page color
catalog. Request
on your
letterhead.

Here's the big "red apple" that's sure to gain customer favor for your product or service! Attractive, useful, original HOUSE ART Ad-Trays have gift-appearance for the recipient, and they enjoy long life in office or home. Your message, logo or trade mark, in permanent brilliant colors on charcoal tinted, gem-quality bent glass, constantly presells the prospect . . . paves the way for your representative. Choose from a variety of sizes and shapes, suitable for economical mailing, or distribution by salesmen. Consult your Advertising Specialty Counselor, or write:

HOUSE

GLASS CORPORATION
POINT MARION, PENNSYLVANIA

This new salesman
"knows the score" better
than his competitor because ACB
furnished the facts!



... with ACB Retail Store Reports, he is primed for every call ... knows the local inter-store competition ... store preferences in featured goods ... amount and frequency of advertising ... prices, etc.

Nothing seems to up-grade sales ability so much as ACB Reports.

They are radar-like in detecting merchandising action and change. These reports are made to your order from the daily newspaper advertising in each salesman's territory.

Through these reports the salesman sees his entire territory ... store-by-store ... competitor-by-competitor ... day-by-day. Even on first calls he can talk with assurance about local merchandising. Continuous contact with the activity of his own and competitive accounts by means of these reports make his calls more fruitful with old customers.

With ACB reports, the home office executives can give far better support and direction to their sales force. More than 1,100 progressive companies use ACB Tell-All Reports.

★ ★ ★
"We have been receiving ACB reports for many years. In addition to keeping us posted on advertising by individual dealers for our own and competitive brands of merchandise, your reports enable our sales force to do a better job of securing dealer cooperation. They also enable us here in the office to evaluate performance by salesmen and dealers."—Elgin National Watch Company.

ORDER ONLY WHAT YOU NEED ... NO MORE

ACB offers a variety of services based on information obtained from retail and/or national newspaper advertising. Coverage from one city up to nationwide. Your choice of several methods of selecting advertisements. Length of service from one day up. ACB's retail store advertising service described in adjoining column is a comprehensive service that is valuable to salesmen, sales managers and advertising executives alike. ACB's "paste-ups" are especially valuable to salesmen whose dealers need effective visual-aid selling.

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It's worthwhile from cover to cover—48 pages—and as complete as we could make it. Describes fully each of the 14 ACB services. Gives many case histories. Gives cost of each service or method of estimating same. Has complete directory of all daily and Sunday newspapers (ACB reads every advertisement published in every one of them). The state breakdown of 1,769,540 retail stores is reprinted from the 1948 U. S. trade census. Send for your free copy today!

ACB SERVICE OFFICES

353 Park Ave. South	New York 10
18 S. Michigan Ave.	Chicago 3
20 South Third St.	Columbus 15
161 Jefferson Ave.	Memphis 3
51 First Street	San Francisco 5



men to train its own group to give the courses to fellow employees.

Although we had several such examples to indicate that the school program was going well, we conducted a survey on the program by questioning a broad cross section of our customers.

In every case a letter was sent to the customer responsible for having the program scheduled. It pointed out that "Service Through Education" is one of the principal aims of the Rockwell Manufacturing Co. It also noted our realization that the schools were not just an expense to us, but an expense to the customer in terms of men taken away from their jobs for several hours. The heart of the letter was the question, "Was the expenditure worth while from the customer standpoint as well as ours," or, in other words, "Are we on the right track?" The results of this letter survey have certainly proved the value of the program.

► Of 20 letters received to date in response to the survey, only one was mildly critical of the time hourly wage personnel lost from their jobs. However, the respondent closed his letter with the comment: "We feel that any company is welcome when it takes the time to come to us to show us the proper care for its equipment. ..."

Another letter, while praising the school, was somewhat critical of the product. This comment from an oil company executive was of particular value to us, and as a result a more intensive campaign of instruction has since been undertaken in the oil field.

The other letters were unanimous in their praise of the program, and most expressed the wish to have additional courses in the future. Typical of our customers' reactions were such comments as:

"... One of our engineers says that 'We should have been instructed like this ten years ago.'"

"... We think such programs and aids represent valuable services which, of course, maintain our interest in the products of the companies offering them."

"The meeting was a complete success."

The program has now established itself as a permanent part of our sales department's efforts. We are happy at the results obtained; the salesmen are happy to see their sales continue on an upward curve, and, most important, the customer is happy in the knowledge that his purchases will give him a long lifetime of service. In short the program put us "on the right track." ♦



"Are you selling something?"

If you are (and who isn't), you have problems.

Maybe you need forecasts of industry or company sales, some help in setting sales quotas, or perhaps you need to know the best locations for new retail outlets. Whatever the problem may be, the chances are that Market Statistics, Inc., which does the estimating and researching for Sales Management's authoritative Survey of Buying Power, can help you. In many cases, we already have the answers and when we don't we can get them, whether it be smoothing out the weak spots in your distribution, where to pick a new distributor, or determine your share of the total market.

Have market problems? We can probably help.

MARKET STATISTICS, Inc. A Division of Bill Brothers Publications
630 Third Ave. • New York 17 • YUkon 6-8557

Sales Management July 15, 1960 105

EXECUTIVE SALESMEN:

Do you Know of a More Interesting and Timely Subject to discuss with a Prospect than **SALES MOTIVATION** — increasing the sales potential of their men?

AND EVEN MORE IMPORTANT!

We have a unique and an entirely different Program called "SELLING TOOLS"® developed specifically for each of the following classifications:

"SELLING TOOLS" for:
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Retail Stores
Banks (Tellers)
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Door to Door Salesmen

We talk the language and the selling problems of each industry giving our representatives unlimited prospects with almost unlimited earning possibilities.

We have the enthusiastic endorsement of many of the leading companies in each classification requesting renewals year after year.

PROMOTION MINDED COMPANIES:

We are expanding throughout the U.S. and possessions. Several territories are open for assignment to distributors whose salesmen now call on top executives. If interested, please furnish full details on your letterhead.

JOSEPH LUCHS and STAFF
Sales Consultants in our 40th Year
Bank Building, 6701 N. Broad St.
Phila. 26, Pa.



The Man Who Would Manage Your Marketing

(continued from page 37)

that "miracles" merely are nostrums with tricky names in fancy packages. Prosecutor Dixon tells SM that "for 1,000 years Indians tranquilized themselves with the alkaloids of rauwolfia serpentina. In recent years Ciba refined and patented these alkaloids as reserpine; trade-marked it as Seracil; took over 56% of this country's rauwolfia market, and now is busy selling its benefits across the world."

"Monopoly" often involves collusion of strong forces. The Kefauver forces (hardly weak themselves, with all the power of the Federal Government behind them) thought they had found a particularly black bête noire in the seven-year-old National Pharmaceutical Council, New York:

Had not the council, in five years, helped to multiply the number of states with anti-substitution laws covering prescription drugs from eight to 44?

And had not the council, in 1955,

sought — and failed to get — clearance for its "educational" activities from the U. S. Department of Justice?

Had not the D of J then written the council that it "cannot undertake to waive the right to bring criminal proceedings, if it should decide to test the legality of your program?"

Kefauver & Ko. make much of the fact that the council embraces 22 large ethical drug manufacturers: Abbott, Ames, Bristol (Bristol-Myers), Burroughs Wellcome, Ciba, Geigy, Hoffmann-LaRoche, Lederle (American Cyanamid), McNeil, Mead Johnson, Merck Sharp and Dohme, Wm. S. Merrell, Ortho, Pfizer, Pitman-Moore, Schering, G. D. Searle, Smith Kline & French, Squibb (Olin Mathieson), Warner-Chilcott (Warner-Lambert) and Winthrop (Sterling-Drug).

► The subcommittee's majority duly notes that two large companies — Eli Lilly and Parke, Davis — never joined the council and that Wyeth (American Home Products) got in and got out.

Kefauver somehow makes this seem that the last three must be holier-than-them.

Established advertisers in other industries—beset by private and fly-by-night labels—would welcome a "council" to help guard their brand franchises. But to Kefauver & Ko. such efforts toward group protection of private enterprises are flagrant examples of "giant corporations" operating "free from public accountability." ♦

Medicine Costs— Campaign Issues?

Both major parties may have a lot to say this fall about findings in the Senate subcommittee's investigation of "Administered Prices in the Drug Industry."

A headline in a recent issue of Democratic Digest shouts: "Kefauver Committee Spotlights High Prices—and Higher Profits."

This organ of the Democratic National Committee notes:

• "Some drugs carried mark-ups of 7,000 to 10,000%!"

• "Ciba . . . sells to druggists for \$39.50 the same number of tranquilizer tablets it has sold to the Government for 60 cents."

• "A small manufacturer, Pan-

ray, offers the same number of the same tranquilizer tablets to druggists for \$2.65."

"The gimmick here," says Democratic Digest, "is that big firms like Ciba spend millions of dollars to propagandize doctors into prescribing a drug by brand name, which the small manufacturers cannot afford to do."

Meanwhile, the Digest reports, "Several witnesses said thousands of mental patients had to return to mental institutions because they could not afford the high price of tranquilizer drugs on the outside."

And an official of Los Angeles Suicide Prevention Center points out that "the high cost of medical care, including drugs, is the most important cause of suicide among the aged."

Britannia in the Market Place

Don't sell John Bull short. We are forever hearing about the very real threat posed by Japanese imports; about the brilliance of West German technology; about Russia's grim pledges to win at least an economic war with us. But, again, don't underestimate the British.

The evidence was written all over the recent British Exhibition in New York's Coliseum: England is rolling out her very biggest marketing guns—and the sights are already set squarely on the U.S. When one stops to think for a moment, it is not difficult to recall many examples of British determination in action. Examples range from World War II back through the creation of a magnificent empire. Somehow, they seldom fail to accomplish what they set out to do. Something of an unsettling thought.

► The Exhibition itself was superb. Unlike its Russian counterpart last year, the emphasis was not on technological development, although that was certainly included. Unlike many American shows abroad, the emphasis was not on the people and their way of life, although that, too, was included. But the spotlight was on products: steel, chemicals, ships, biscuits, whiskey, electron microscopes, woolens, silver, autos, bicycles, jet engines.

When the products were already being used in American factories, that fact was spelled out in detail. When the products could be found in American stores, the names of those stores were prominently displayed.

The "sell" was typically British. The use of fine English walnut and bright red and blue carpeting throughout much of the fair lent elegance and warmth to the coldest machines. The most mundane products were alluringly displayed like the Crown Jewels. The image throughout was one of the finest craftsmanship at down-to-earth prices. Excellence by definition. And the visitors to the Exhibition were eating it up.

Don't expect to be awakened by a fanfare when the British hit our markets. That isn't the way they do things. So be on the lookout—the Redcoats are coming, and they're armed with order books.



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luxury hotel

Executive House

Drive-In-Parking
Restaurant and Lounge

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Title _____
Company _____
Street _____
City _____ Zone _____ State _____

EXECUTIVE SHIFTS IN THE SALES WORLD

American Metal Products Co., Detroit—David M. Diltz appointed manager of automotive sales. Since 1958 he has been assistant to the sales vice president.

B. T. Babbitt, Inc., New York—John W. Sugden elected executive vice president, marketing. Before joining Babbitt two years ago he had been with Colgate-Palmolive.

Capital Airlines, Washington, D.C.—William D. Smith promoted to director of passenger sales. He joined the firm in 1941.

Crescent Co., Pawtucket, R.I.—Kenneth R. MacLean elected sales vice president. Since 1950 he has filled various sales posts with the company divisions.

Electric Autolite Co., Toledo, Ohio—Jeff Shea named sales manager of the Prest-O-Lite Battery Division. He was automotive-battery sales manager of Reading Batteries when that firm merged with Autolite in 1956.

Good Housekeeping, New York—A. Starke Dempewolff named director of marketing and sales promotion. Recently a marketing consultant, he had been with Celanese Corp. of America for the previous 18 years.

IMCO Container Corp., Kansas City, Mo.—Lawrence V. Rhea appointed vice president, sales, and Frederick L. Kocher vice president, marketing. IMCO is a division of Rexall Drug & Chemical Co.

Koehler Aircraft Products Co., Dayton, Ohio—Jerry D. Maxe named sales manager of the New Britain Machine Co. subsidiary. He joined the parent firm in 1954.

McGraw-Hill Publishing Co., New York—John M. Holden, advertising director of Business Week, named regional vice president and manager of the Atlantic sales district. He joined the weekly in 1946.

Jens Risom Design, Inc., New York—John Tapner appointed marketing vice president. He was formerly vice president and general manager of Wm. E. Miller Furniture Co.

C. F. Sauer Co., Richmond, Va.—Howard A. Gills, Jr., assistant sales manager, elected vice president, sales. Before joining Sauer in 1955 he was sales manager of Atlas Baking Co.

W. A. Sheaffer Pen Co., Ft. Madison, Iowa—Edward P. Reavey, Jr., manager of retail sales, named retail marketing director. He has filled many sales posts since becoming associated with Sheaffer in 1948.

Stromberg-Carlson, Rochester, N.Y.—P. Eugene Laliberte appointed marketing director of the Electronics Division. Prior to last February he had been with General Electric for many years.

Vichek Tool Co., Cleveland—Ed Krall, sales manager for the past 27 years, promoted to vice president and general sales manager.

Waring Products Corp., New York—Wayne B. Colvin appointed general sales manager. He was formerly manager of distributor sales for Paragon Electric Co.

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Marketecture is the new strategic approach to build profitable sales based on sociological, psychological, legal and distribution facts, needs and opportunities of markets you want to cover anywhere in the free world. We operate with sales management and consumer promotion consultants for on-the spot, objective, prompt and economical services in most United States and international marketing centers. For consultation without obligation contact



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Chicago—C. E. Lovejoy, Jr., Western General Manager; W. J. Carmichael, Western Advertising Director; John W. Pearce, Western Sales Manager; Thomas S. Turner, Robert T. Coughlin, 333 N. Michigan Ave., Chicago 1, Ill., State 2-1266; Office Mgr., Margaret Schulte.

Pacific Coast—Warwick S. Carpenter, 15 East de la Guerra, Santa Barbara, Calif., WOODland 2-3612, Pacific Coast Manager; Northern California, Washington and Oregon, M. A. Kimball Co., 2550 Beverly Boulevard, Los Angeles 57, Cal., DUNKirk 8-6178; or 681 Market St., San Francisco 5, Cal., EXbrook 2-3365.

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THE SCRATCH PAD



BY T. HARRY THOMPSON

We never print plays-on-words, but Olds "brings out the zest in you." I like "Olds," by the way, better than the longer "Oldsmobile," all but illegible on the car itself.

Volcano: A mountain that blows its top.

The automobile will never replace the horse. Not in westerns, anyhow.

I think—and it's just one of those thinks—that a way to stand out from the crowd is by NOT writing a book.

Name for a sun substitute: "Pan Tan." And a slogan: "Tan your pan with Pan Tan."

Headline for a Comptometer ad, assisted by a printer's fist: "That figures."

Stopper by Wheeling Steel: "It's uncanny what you can can."

I got a charge out of that item in Reader's Digest about the editorial-minded guy who indexed the "Text-book of Pediatrics," a 1,462-page volume. Among the B's, between "Biotin" and "Birth," he inserted (and it got into print): "Birds—For the—Pages 1-1,462."

Fels cleaner cleans in one Fels swoop, obviously.

Wonder if Carnation knows any DIScontented cows?

So far, I haven't seen this title: "I Was a Teen-Age Teen-Ager."

Kellogg's Special K talks about "ready-to-eat protein for ready-to-eat people." Cannibals may be confounded.

Medicos, like grammarians, differ, but they seem agreed on this: Fatness fights fitness.

Red Skelton figures Teddy Roosevelt was far out and real cool when he said: "Dig that Panama Canal!"

A cynic says teratology, the science of monsters, should be a required

course for all union baby-sitters.

Sam Levenson likes kids as well as the next fellow, but he says some of them are "gimme pigs."

Pap for the pooped: Samuel Butler summed up life as "one long process of getting tired."

According to Merriam-Webster,

"bonfires" came from "bonefires," the pyres of so-called heretics and their proscribed books. Sounds pleasanter in the modern spelling.

I have a hunch that multiple packaging is paying off for makers of bathroom tissue and kitchen towels.

Stopper by Bonwit Teller: "Good-night, Sweet Prints."

The popular Buck Hotel in Feasterville, Pa., says: "Don't pass the Buck."

In Lambertville, N.J., at the famous Music Circus, maestro Paul Whiteman, now a gentleman farmer in those parts, stated the case for me recently: "I want to say right here that I haven't anything against rock 'n' roll, but I still like music."

Status Symbol

Out of the philosophy of keeping up with the Joneses has come today's compact locution, "status symbol."

Most of us with enough wit to come in out of the wet would loudly disclaim that we are snobbish. But why do we reach for a Lincoln Continental instead of a Comet?

Why do we rent a Pullman chair, and then leave it to spend most of the short trip in the dining car?

Greeting-card manufacturers put a status symbol of sorts on the backs of their cards. Turning a card over, you know whether it cost the sender a nickel, a dime, 15 cents, or a quarter.

In spite of traditional Eskimo garb, Arctic explorers used to claim that wool is warmer than animal fur. But wool does nothing for a gal's ego. So we have a Mink Dynasty.

Long before some neologist gave us the phrase "status symbol," retailers knew the value of trading up. Sure, a table-model television gives as clear an image as a console, but most of us aspire to the console, except for a portable TV.

Plated silverware is often as serviceable as sterling, but we all know that, given a choice, the bride will pick the kind with the distinguished sterling mark on it. Even if she has a set of the popular stainless steel, she wants sterling for show.

Something inherent in all of us leads us to the more expensive item, even on a menu card. Imported champagne may not taste any better than the best of our local vintages, but labels are status symbols.

By the way, wouldn't "Status Symbol" make a good headline for Cadillac?

T.H.T.

announcing

THE THIRD NATIONAL STUDY OF SPORTS ILLUSTRATED SUBSCRIBER HOUSEHOLDS

SPORTS ILLUSTRATED's "Third National Study" (1960) shows that the magazine's subscribers have continued to increase in quality, keeping pace with the rapid growth of America's upper-income family market.

FOR EXAMPLE: The median income of subscriber families has increased to \$10,835 per year. There are now 245,000 SPORTS ILLUSTRATED families with incomes above \$15,000.

The new survey was carried out in consultation with the Advertising Research Foundation by Audits and Surveys Company, Inc. and Erdos and Morgan Research Service among a sample of 9500 subscriber households. The effective rate of return from a three-wave mailing was 81%.

The report will contain completely up-to-date information about the SPORTS ILLUSTRATED market. Thanks to the substantial number of families included in the sample, supplementary reports will also be made available from cross-tabulations on the relation between the purchase and use of a wide variety of products and services and such important subscriber characteristics as income, family size, and education and income of the household head. It should thus provide marketers with a wealth of new data on the buying habits of the upper-income families in America.

Partial Table of Contents of THE THIRD NATIONAL STUDY OF SPORTS ILLUSTRATED SUBSCRIBER HOUSEHOLDS

Composition of Households by Age and Sex / Household Income / Home Ownership, Type and Market Value of Home / Other Real Estate / Liquid Assets: Stocks, Bonds, Mutual Funds / Life Insurance: Personally Paid For, Group / Automobile, Casualty and Fire Insurance / Occupation, Position, Function, Company / Size of Head of Household / Education / High Fidelity Ownership, Retail Cost / Sporting Goods Ownership / Boat Ownership, Length of Boats Owned / Cameras, Equipment: Film Use / Swimming Pools / Private Planes / Consumption of Soft Drinks, Beer, Wine, Liquor, Cordials / Case Purchases of Beverages / Cigarettes, Filter and Non-Filter, Number Smoked per Day, Cigarette Brand Loyalty / Cigars / Licensed Drivers / Car Ownership, Intentions to Buy 1960 Models / Tires / Other Automotive Equipment / Vacations / Passports / Consultation with Travel Agency / Airline Travel, Number of Flights / Ship Travel, Ports of Departure and Destination / Credit Card Ownership

The basic report on "The Third National Study of Sports Illustrated Subscriber Households" will be distributed to advertisers and agencies on or about July 15.

The coupon below is for your convenience in reserving your copy.

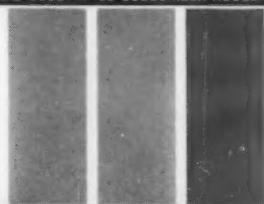
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New York 17, N.Y.

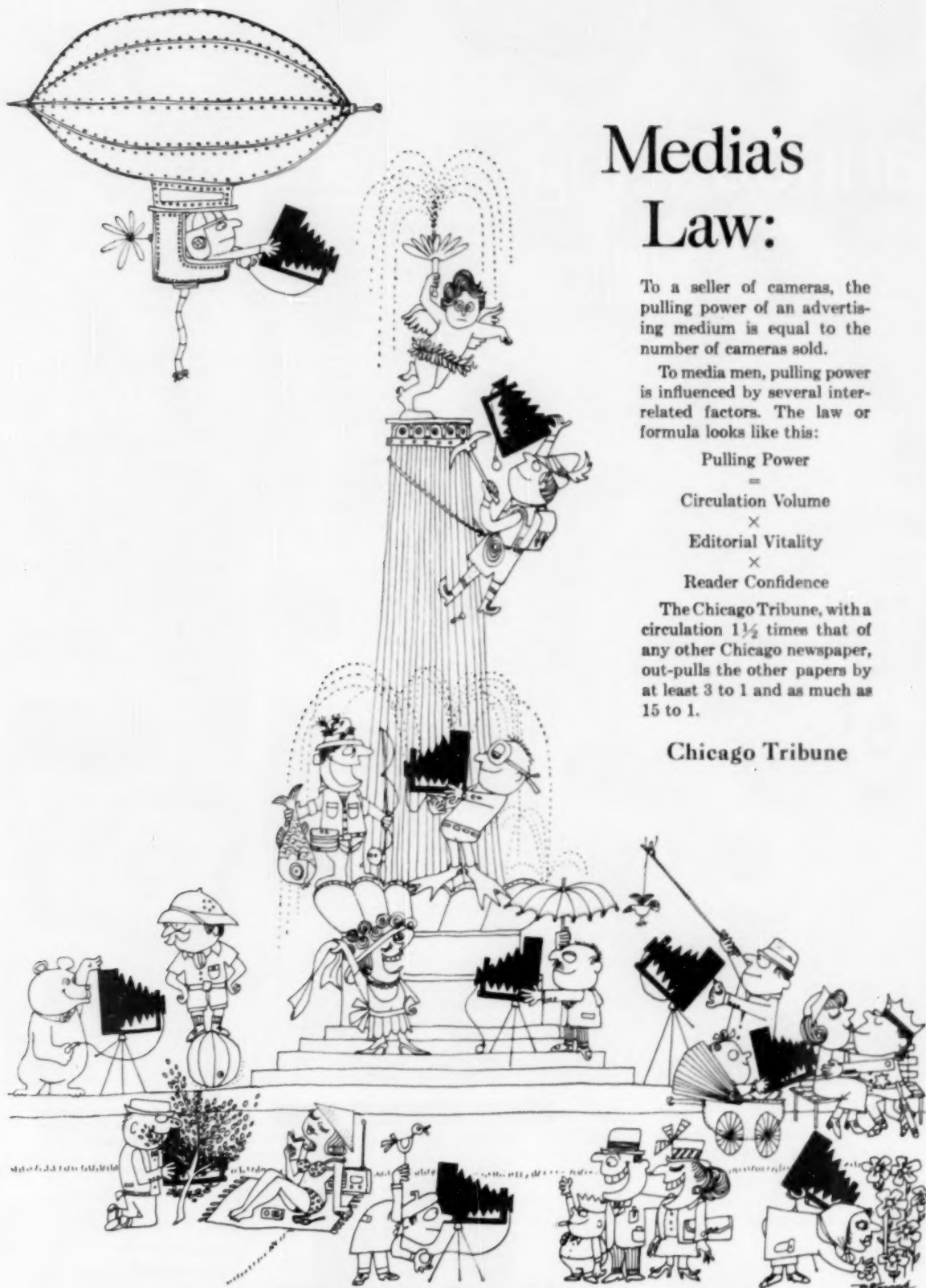
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THE THIRD NATIONAL STUDY OF SPORTS ILLUSTRATED SUBSCRIBER HOUSEHOLDS





Media's Law:

To a seller of cameras, the pulling power of an advertising medium is equal to the number of cameras sold.

To media men, pulling power is influenced by several inter-related factors. The law or formula looks like this:

$$\begin{aligned}
 &\text{Pulling Power} \\
 &= \\
 &\text{Circulation Volume} \\
 &\times \\
 &\text{Editorial Vitality} \\
 &\times \\
 &\text{Reader Confidence}
 \end{aligned}$$

The Chicago Tribune, with a circulation $1\frac{1}{2}$ times that of any other Chicago newspaper, out-pulls the other papers by at least 3 to 1 and as much as 15 to 1.

Chicago Tribune

